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Interim report and accounts

30 June 2024

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TOP-PERFORMING
INVESTMENT
COMPANY

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Hg's review

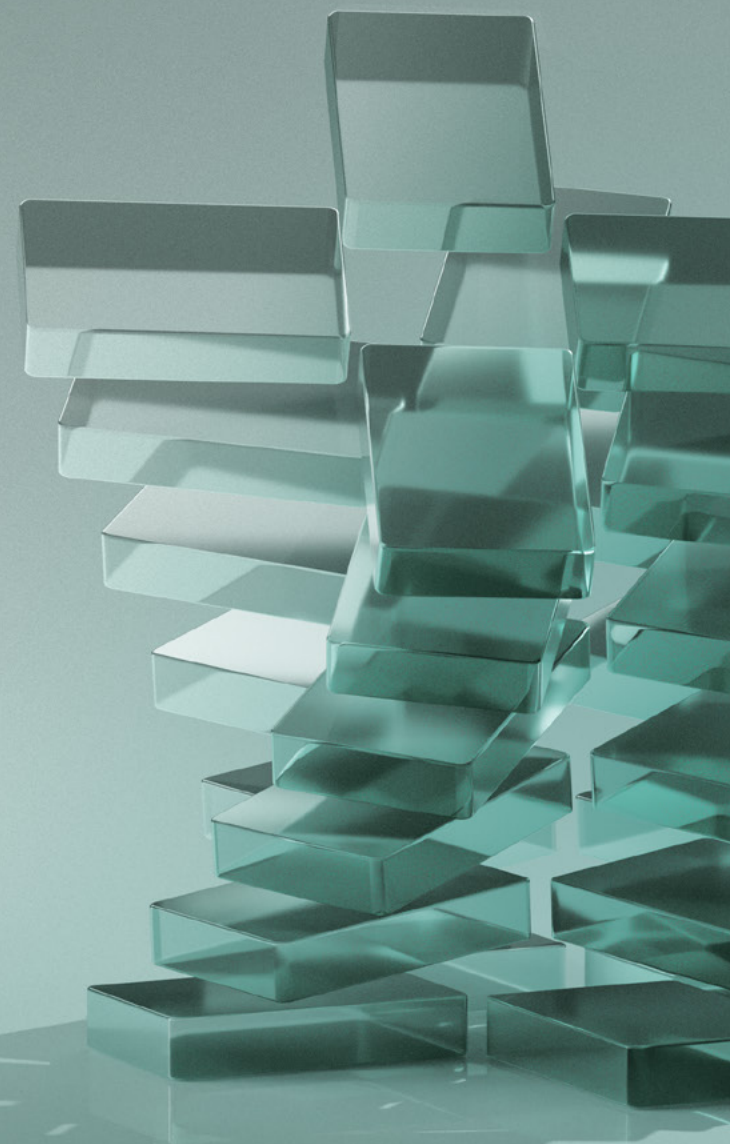
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The objective of HgCapital Trust ('HgT') is to provide shareholders with consistent long-term returns in excess of the FTSE All-Share Index by investing predominantly in unquoted companies where value can be created through strategic and operational change

The investment opportunity



Exposure to a portfolio of c.50 companies diversified by end market and geography - with enterprise values of £100 million to over £10 billion



Strategy focused on unquoted software and services businesses with resilient, recurring revenue streams



Invest alongside some of the world's largest investors in private equity, in high-growth companies sourced by Hg

Hg has managed the HgT investment portfolio since 1994



Together we build enduring software and services leaders that transform how people work



c.400 employees, including c.240 investment and portfolio management executives



Network of seasoned professionals from across industry who support management teams to create value and help businesses to achieve their full potential



Sharing of knowledge and expertise by facilitating the active collaboration of management teams across sector clusters and geographies

References in this interim report and accounts to HgCapital Trust plc have been abbreviated to 'HgCapital Trust' or 'HgT'. Hg refers to the trading name of Hg Pooled Management Limited and HgCapital LLP. Hg Pooled Management Limited is the 'Manager'.

References in this interim report and accounts to 'total return' refer to a return where it is assumed that an investor has reinvested all historic dividends at the time when they were paid.

References in this interim report and accounts to pounds sterling have been abbreviated to 'sterling'.

Past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested.

Financial and performance highlights

Performance over six months to 30 June 2024

“The first six months of 2024 have seen continued positive performance from the underlying portfolio companies driven by strong growth in sales and profitability and further liquidity events over the period.”

Jim Strang, Chairman, HgT

+12.7%

Share price (485.0p)

Six months ended
30 June 2023: +7.1%

+6.4%

NAV per share (527.9p)

Six months ended
30 June 2023: +4.6%

2.0p

Interim dividend

As at 30 June 2023: 2.0p

£310m

**Cash invested on behalf
of HgT**

Six months ended
30 June 2023: £33m

£566m

**Available liquid resources
(23% of NAV)**

As at 31 December 2023:
£625m (27% of NAV)

£2.2bn

Market capitalisation

As at 31 December 2023:
£2.0bn

£2.4bn

Net assets

As at 31 December 2023:
£2.3bn

1.6%

**Total annualised ongoing
charges**

As at 30 June 2023: 1.6%

£308m

Realisations to HgT

Six months ended
30 June 2023: £229m

£912m

**Outstanding commitments
(38% of NAV)**

As at 31 December 2023:
£1.2bn (53% of NAV)

Note: NAV per share and share price return on a total return basis assuming all historical dividends have been re-invested, which is an Alternative Performance Measure ('APM'). Please see the definitions of the APM's in the glossary pages 66 to 67.

Top 20 investments (78% of portfolio value)

A snapshot as at 30 June 2024

“The resilience of the Hg portfolio continues to be demonstrated by valuations and profitability remaining stable. Hg's companies are typically characterised by visible and greater than 90% recurring revenues, attractive margins of over 30%, and by the ability to grow EBITDA organically by 10 to 15% each year, with further growth coming from M&A activity. These characteristics provide exceptional resilience when the cycle swings downward and form a stable platform for accelerating growth when market conditions recover.”

David Toms, Head of Research, Hg

25.9x

EV to EBITDA multiple
31 December 2023: 26.1x

7.4x

Net debt to EBITDA ratio
31 December 2023: 7.4x

+19%

LTM sales growth
30 June 2023: +29%

+26%

LTM EBITDA growth
30 June 2023: +30%

34%

EBITDA margin
30 June 2023: 30%

£11.5bn

LTM revenues
30 June 2023: £10.0bn

£3.5bn

LTM EBITDA
30 June 2023: £3.0bn

Historical total return performance

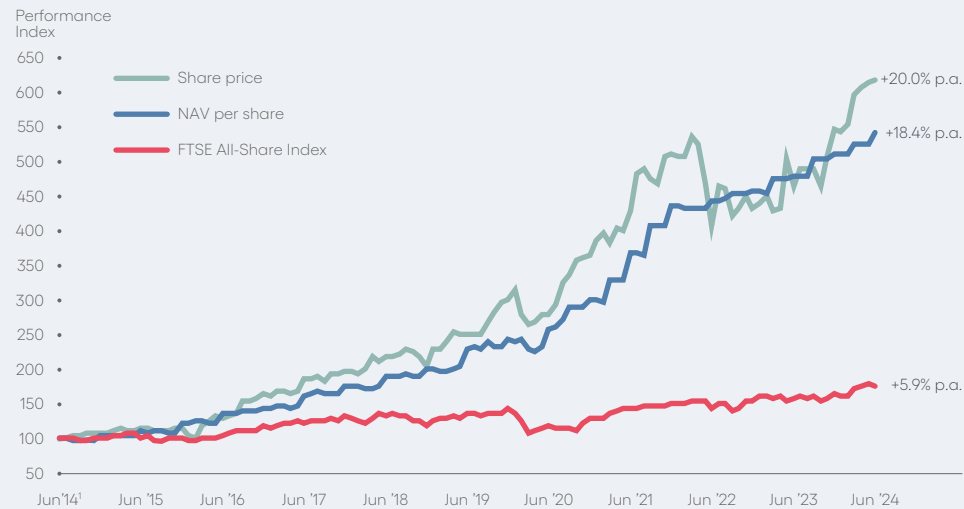
Both HgT's share price and net asset value per share have continued to outperform the FTSE All-Share Index over the long-term.

	6 months to June 2024 %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	20 years % p.a.
Share price	12.7	32.8	12.9	19.7	20.0	16.6
NAV per share	6.4	13.0	13.9	18.7	18.4	16.1
FTSE All-Share Index	7.4	13.0	7.4	5.5	5.9	7.3
Share price performance relative to the FTSE All-Share Index	5.3	19.8	5.5	14.2	14.1	9.3
NAV per share performance relative to the FTSE All-Share Index	(1.0)	-	6.5	13.2	12.5	8.8

10-year share price total return: **+20.0% p.a.**

Based on HgT's share price at 30 June 2024 and allowing for all historic dividends being reinvested, **an investment of £1,000 made 20 years ago would now be worth £21,696, a total return of 2,070%.** An equivalent investment in the FTSE All-Share Index would be worth £4,068.

Long-term performance

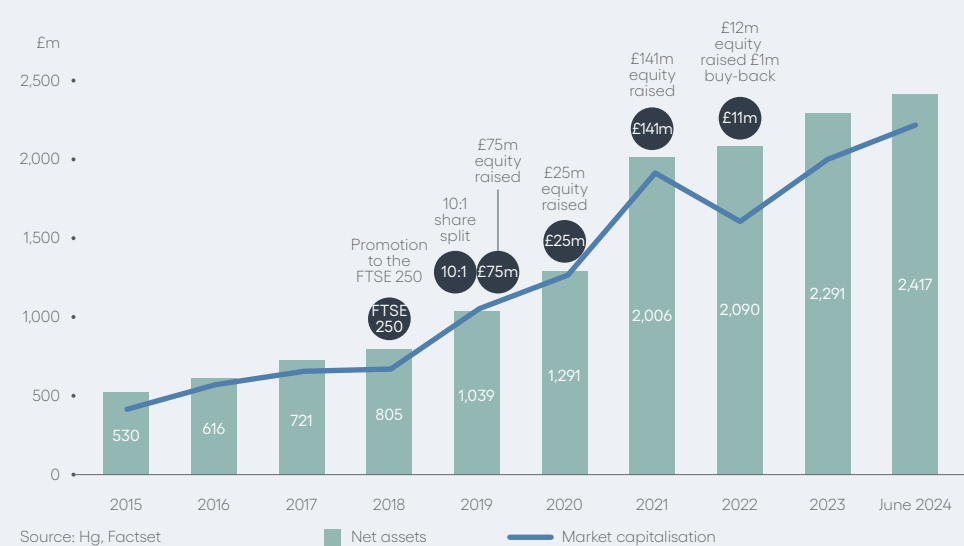


Performance record rebased to 100 at 30 June 2014. Source: Hg, Factset.

Past performance is not a reliable indicator of future results.

The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested.

Long-term net asset growth



aic ISA Millionaires

For the third year in a row, HgT topped a list of investment companies that would have made investors more than £1 million, if they had invested the full annual ISA allowance in the same trust each year, according to research from The Association of Investment Companies (AIC).

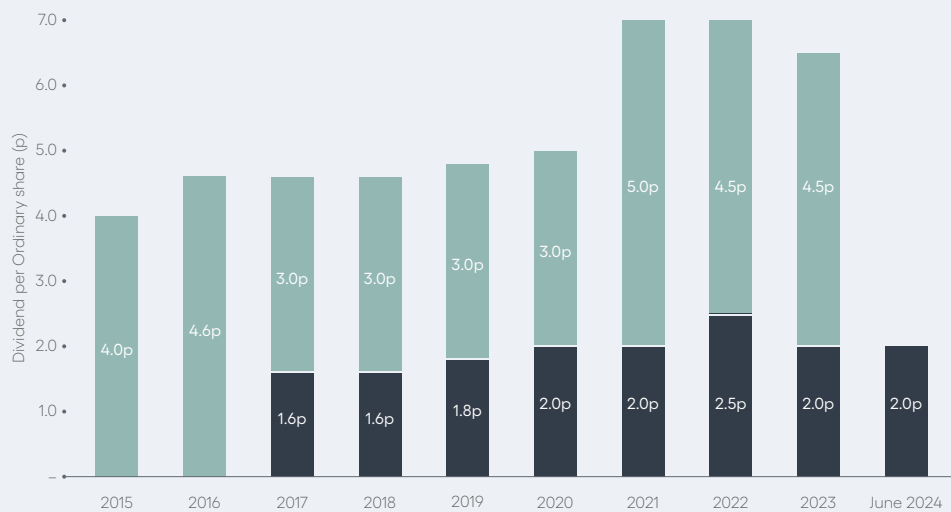
Investing the full ISA allowance annually from 1999 to 2023, a total of £306,560, and reinvesting the dividends in HgT shares would have generated a tax-free amount of over £2.2 million by 31 January 2024.

Research dated 13th February 2024

“ HgT provides shareholders with unique listed access to the investment portfolio of Hg. The performance that HgT has delivered has come from the continual refinement and focus on a clear investment model implemented by Hg, targeting software and services leaders that transform how people work. ”

Jim Strang
Chairman, HgT

Ten-year dividend history



Source: Hg

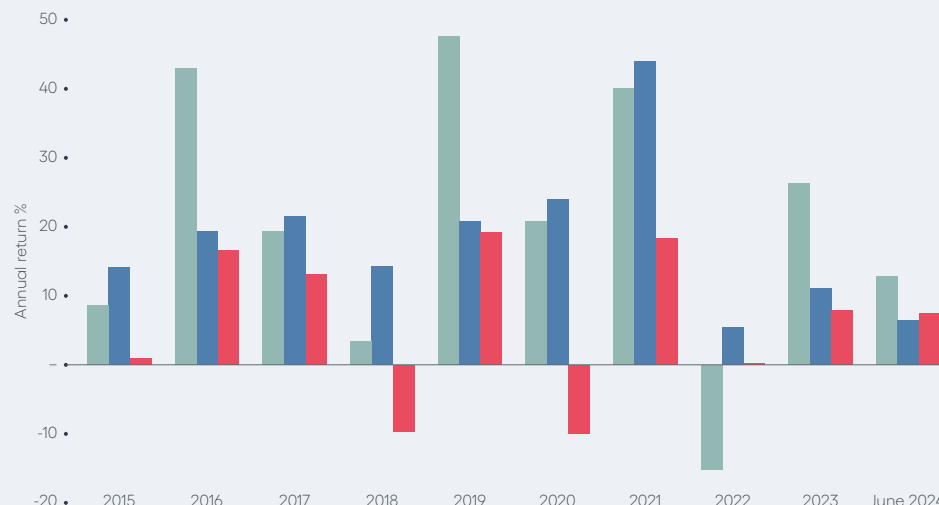
Final dividend Interim dividend

Historic dividends restated for the 10:1 share-split completed in May 2019.

Past performance is not a reliable indicator of future results.

The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested.

Discrete annual total return performance against the FTSE All-Share Index



Source: Hg, Factset

Share price NAV per share FTSE All-Share Index



Jim Strang
Chairman, HgT

“ HgT delivered another solid performance over the first six months of the year, successfully navigating challenging private market conditions. The portfolio continued to experience strong underlying trading performance over the period with sales and EBITDA across the top 20 investments (78% of the portfolio) growing at 19% and 26% respectively. Investment activity in businesses continued at a pace both in the first half and post-period in order to generate good future returns to shareholders. These positive fundamentals supported a near 13% increase in share price over the period and a halving of the discount to 7%. ”

Chairman's statement

The first half of 2024 has been one of continued good progress for HgT, maintaining the momentum reported in the Q1 results and the annual results for 2023. The deal markets for private equity transactions continue to gradually improve, aided by improving investor confidence and more accommodative conditions in credit markets. As I noted in the full-year results announcement, the kind of high-quality software assets that make up the majority of the HgT portfolio continue to be viewed as some of the most attractive areas to invest across private markets and to transact at significant multiples.

The portfolio, which numbered 50 businesses at 30 June, has continued to trade well over the last six months, reflecting the characteristics of the types of companies targeted for investment by the Manager ('Hg'). Hg continues to refine and enhance its in-house value creation capability, notably around the important topic of Artificial Intelligence, and in growing the strength of the investment team globally. Given the discipline and rigour of the investment approach and the health of both the portfolio and the HgT balance sheet, the Board maintains its positive outlook going forward.

Highlights to 30 June 2024 included:

- **12.7% total share price return**
- **6.4% NAV per share growth on a total return basis, with net assets of £2.4 billion**
- **Discount narrowed from 13% to 7%**
- **LTM revenue and EBITDA growth of 19% and 26% for the top 20 companies (78% of the portfolio)**
- **Investments of £310 million and gross realisations of £348 million**
- **£566 million of liquid resources available, including an undrawn banking facility of £375 million**
- **£912 million of outstanding commitments across the Hg fund platform to be invested over the next three to four years**

Performance

The NAV of HgT increased by 6.4% on a total return basis over the first half of 2024, reflecting the ongoing strength of the operating performance of the HgT portfolio. HgT's share price saw a total return of 32.8% over the last 12 months, with 12.7% over H1 2024. On a long-term basis, HgT has seen a CAGR on a total return basis of 16.6% p.a. over the past 20 years, outperforming the FTSE All Share index by 9.3% p.a. over the same period.

The total net assets of HgT at 30 June 2024 were £2.4 billion, an increase of c.£126 million over the reported figures at 31 December 2023. An analysis of NAV movements and movement within the underlying portfolio is set out on pages 29 and 30 of this report.

At the end of June 2024, the HgT portfolio consisted of 50 investments, all of which sit within the Hg sector focus and investment strategy, targeting mission-critical software and services businesses. These assets have continued to perform well in aggregate and in line with the portfolio growth seen in recent years. The top 20 underlying companies (78% of the portfolio) continued to deliver double-digit revenue growth over the last 12 months of 19% (June 2023: 29%) and EBITDA growth of 26%

Past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested.

(June 2023: 30%), reflecting the defensive-growth nature of the businesses in which HgT is invested. The portfolio continues to generate strong top-line growth and solid profitability, with the top 20 companies reporting an average EBITDA margin of 34%. Currently, 95% of the portfolio by value is held above its original cost of acquisition, a testament to the asset selection and value creation skills of the Manager.

These businesses typically exhibit highly predictable forward cash flows and are appropriately financed, including significant covenant flexibility around their financial structures. The top 20 investments have seen a weighted average net debt to EBITDA ratio of 7.4x (December 2023: 7.4x), which is consistent with the highly recurring revenues of the businesses that make up the Hg portfolio and is typical for large, high quality software assets in general. Given the average valuation multiple for the top 20 portfolio companies is 25.9x EV-to-EBITDA (December 2023: 26.1x), this implies that debt accounts for less than 30% of the portfolio company capital structures. This allows a significant equity cushion within the portfolio reflecting the Manager's prudent approach to leveraging and consistent with similar peer companies in the market. Hg has a dedicated capital markets team which continually monitors and manages the capital structures of the underlying portfolio companies to ensure they are as robust and flexible as possible in terms of tenor, interest cost and time to maturity.

As I have noted in the past, HgT aims to achieve long-term growth in the net asset value per share and in the share price, rather than to deliver a specific dividend yield. As regards the current financial year, HgT will pay an interim dividend of 2.0 pence per share (2023: 2.0 pence per share), payable in October.

“ Realisation activity over the first half of 2024 and post-period saw HgT generate material cash proceeds from exits at prices in excess of the carrying value of investments. These sale proceeds will be reinvested into businesses which continue to align with the well proven Hg investment model. With a performing portfolio, an attractive deal pipeline and a well capitalised balance sheet, HgT remains well positioned for second half of the year. ”

Investments and realisations

In order to grow the NAV of the portfolio, and to deliver returns for shareholders, HgT operates in a continual cycle of commitments, investments and realisations. Investment activity was robust over the first half of the year, with a total of £310 million of new and further capital deployed within the first six months of the year, including Visma, IRIS, GGW, CUBE, CINC and Induver. Follow-on investments to finance bolt-on M&A is an area which the Manager has highlighted as particularly attractive in the current environment and where the sector-leading businesses across the portfolio can further improve their market positions, product and service offering. Further investments announced both in the period and post 30 June included AuditBoard, Focus Group, CTAIMA and e-coordina and more recently Ncontracts. On completion, these transactions will represent c.£183 million of further investment by HgT.

The Board expects to see further co-investment activity (free of management fees and carried interest), over the next twelve months. HgT currently has 7% of net assets in co-investment and aims to grow this to 10-15% of NAV over the next few years in line with stated policy. Increasing allocation to co-investments allows HgT to more fully utilise its available liquid resources, to improve returns and to reduce the overall fee load for shareholders.

As I have noted in previous reports, the Hg investment model is based around supporting portfolio companies

to achieve their full potential and in creating larger, more valuable and attractive businesses. As a result of this work, these are much sought after businesses in the markets in which they operate. Consequently, despite the challenging market conditions, Hg was able to deliver a number of liquidity events over the last year, which included the full and partial exits of, IRIS, GGW, Argus and Visma. In total, realisations returned £308 million to HgT.

Post-period, HgT estimates proceeds of £75 million to be returned from the realisations of F24, TeamSystem and team.blue. Over the past 10 years, full and partial realisations in software and services, including all announced transactions at the point of this report have generated an average uplift of 35% to the latest carrying value at signing. Valuations remain an area of continued focus for the HgT Audit Valuation and Risk Committee ('AVRC'), with the long term record of continued exit above recent holding values providing comfort.

Realisation activity continues to set Hg apart as the industry continues to find generating liquidity events challenging, highlighting the fundamental strengths and attractiveness of the underlying portfolio to both trade and financial buyers. Hg believes its exit activity, with more than 40 liquidity events since the start of 2022 has been a clear differentiator, highlighting the fundamental strengths and attractiveness of the underlying portfolio to both trade and financial buyers.

Please refer to pages 35 to 38 for further information on portfolio transaction activity.

Capital Allocation

As part of the Board of HgT's commitment to shareholders, our primary objective is to maximise investment returns through a disciplined approach to the allocation of available liquid resources. This incorporates the continual monitoring by the Board, working with the Manager, of forecast cash flows and estimated returns. As I have stated in past reports, the Board continually seeks ways to improve the effectiveness of governance. As part of this process, much attention has been devoted, and shareholder feedback garnered, on the topic of capital allocation. The approach, framework and tools adopted are set out below.

Investments

At the core of the capital allocation policy is the imperative to continue to drive compelling investment returns for shareholders. As you will be aware, HgT has delivered very strong shareholder returns to investors over a period of more than two decades, a fact recently highlighted by the AIC.

The Board seeks to maintain this long-term record by continuing to access the repeatable returns delivered by the Hg investment platform since inception. HgT's commitments to Hg funds ensure that HgT maintains exposure to Hg's deal flow, which is the single biggest driver of investment opportunities with the potential to generate long-term returns. As such, the first priority of the Board is to ensure that HgT is positioned to access these returns to the fullest extent possible, at acceptable levels of risk. This includes co-investment opportunities (free of management fees and carried interest), as previously mentioned, in what is anticipated to be an attractive investment environment.

Buybacks

From time to time, market conditions can create divergence between the share price of HgT and its stated net asset value. The Board, the Manager and HgT's broker monitor such divergence closely, following a clearly defined share buyback policy. The Board has developed a process with a number

of 'triggers' set by absolute and relative level of share price discount over various time periods. Where two or more such 'triggers' are activated, the Board is informed and a decision is taken as to whether to allocate resources to buying back shares. Any such buybacks are viewed with suitable caution, reflecting the relative merits of any immediate gain with the considerable impact that utilising current cash has on long term NAV growth.

Dividends

With regard to the level of dividend payments, as I have stated in the past, HgT's ability to pay dividends is increasingly driven by the levels of income that are generated by the Hg portfolio. This is a somewhat unpredictable exercise from one year to the next and thus the view of the Board is to establish what it considers a reasonable basis for a 'floor' for the annual dividend level which is currently set at 5 pence per share. Should circumstances change, I will of course communicate with shareholders at the appropriate time.

Debt facility

The final element of the capital allocation policy relates to the use of leverage. HgT uses a Revolving Credit Facility of £375 million at the end of June 2024, to support the implementation of the investment strategy.

Balance sheet

A key role of the Board is continually to balance considerations of HgT's future commitments to Hg funds, balance sheet and cash position, while maintaining a clear focus on risk. This is a continuous cycle of activity which has to adapt to unpredictable events. In the last year, HgT has invested in upgrading the tools used to manage this process, aligning them with similar tools that Hg, the Manager, uses to manage its own investment activity. As a result, the Board benefits from being able to assess the various scenarios with a greater degree of granularity which should benefit the quality of decision making.

As one of the tools used to manage the balance sheet, HgT has a revolving credit facility to support the investment programme and to improve balance sheet efficiency. In 2024, HgT increased its facility to £375 million, being c.15% of NAV, consistent with the historical sizing of this facility. This will aid HgT's future cash flow management.

HgT continues to benefit from a unique opt out clause within its underlying investment agreements with Hg (please refer to business model on page 14 for further detail), which provides a useful risk management tool for the Board in managing and optimising the HgT balance sheet.

Impact and responsible investment

Your Board and the Manager, Hg, continue to increase their focus on the topics of ESG and sustainability. We share a firmly held view that not only should the financial returns to you, the shareholders, be attractive, but these must be delivered in a manner which is consistent with our responsibility to society. As a technology investor, we understand the need to ensure that those businesses in which we invest reduce their carbon footprint and contribute to tackling climate change.

The UN Principles for Responsible Investment (UNPRI) assessment of Hg's approach to responsible investment is 4* (82/100) for Investment Stewardship Policy and 5* (100/100) for Private Equity, and the Board of HgT meets regularly with the Hg Responsible Investment team to ensure that Hg's work is well understood and endorsed by the Board. As we have previously reported, Hg launched The Hg Foundation in 2020 – a charitable initiative to provide funding and operational support to initiatives across Europe, the UK and the US. The Hg Foundation's goal is to have an impact on the development of those skills and learning most required for employment within the technology industry, focusing on individuals who might otherwise experience barriers to access this education. This Foundation is funded by the Hg management company and its team members.

Reporting and Transparency

As mentioned in the 2023 Annual Report, the Board continues to look at ways to increase the effectiveness of communications for shareholders.

In the case of improving transparency, shareholders will know that we are now providing preliminary trading updates, which provide our shareholders with earlier guidance on the performance of HgT ahead of the full year and interim results, after approval by the HgT Audit Valuation and Risk Committee ('AVRC') and the HgT Board.

Over the past six months, you will have also seen a greater focus on improving our website, our reporting materials and our public engagement through enhanced social media activity. Additionally, the capital

markets day in June saw record numbers of attendees and it was received very positively. These initiatives seek to build good quality and open communication with our stakeholders.

As we have stated before, this continued development in communications has also seen HgT engage with third party marketing specialists to increase the scope and span of brand marketing activities for HgT in the UK and overseas, where regulations permit.

Board and governance

As I noted in March, Anne West retired from the Board at the AGM in May 2024, after ten years of service. On behalf of myself and my fellow Directors, and as previously stated, I would like to thank Anne for her important contribution to HgT throughout her time on the Board. Following Anne's departure, Erika Schraner has been appointed Senior Independent Director and Helena Coles has taken on the role of Chair of the Management Engagement Committee.

In late 2023 we commenced the process to find a new Non-Executive Director and an external search firm was engaged to support the Nomination Committee and the Board in delivering a successful outcome to this process, noting the skills and experience which would be most additive to HgT.

We were pleased to announce in May the appointment of John Billowits to the Board. John has over 25 years of operational experience and a wealth of investment expertise in the software sector, and brings valuable international perspective, through his past roles and current appointments on Boards of US, Canadian and European software companies. As past CFO and CEO, and as a Chartered Accountant, John has significant depth of financial knowledge and experience.

John is a highly regarded investor and operator in the software sector and brings a unique combination

of skills and personal strengths that are highly complementary to HgT and we are delighted he has chosen to join the Board.

Prospects

Following on from the resilient performance over 2023, HgT has continued to see positive returns over the first half of 2024, including share price appreciation, with the underlying portfolio continuing to deliver strong growth. Investment activity has accelerated over the period, as conditions improved from 2023 and as the industry looked favourably on the kinds of high-quality assets that make up the HgT portfolio.

The significant liquidity generated year-to-date, not only validates the valuation of the assets in the portfolio, but further strengthens the balance sheet to be able to capitalise on future opportunities as they present themselves. With its defensive portfolio of companies and prudent management of the balance sheet, HgT is well positioned to take advantage of investment opportunities as they arise, and the Board remains positive for both transaction activity and portfolio performance in the year ahead.

Jim Strang

Chairman
13 September 2024

Manager's update

The first half of 2024 saw the broad software industry continue to deliver a strong performance for earnings forecasts, with c.20% annualised increase in Next Twelve Months ('NTM') forecast Earnings Per Share ('EPS'). This remains an acceleration from the decade-average of 13% NTM EPS growth, and in our view reflects an ongoing focus on margins from most of the software industry. Our analysis shows slight softening of organic revenue growth of c.2% across the basket of public companies we track with a profile similar to those in which Hg typically invests, over the past two years. Margin expansion has more than counteracted this and continues to drive earnings growth well ahead of revenue growth.

The Hg portfolio maintained its long-term trend of outperformance against the broader industry. The top 20 investments saw EBITDA growth of 26% which resulted from a healthy combination of 19% revenue growth plus some modest margin expansion. Both revenue and earnings have been underpinned by a broadly equal mix of organic growth and M&A.

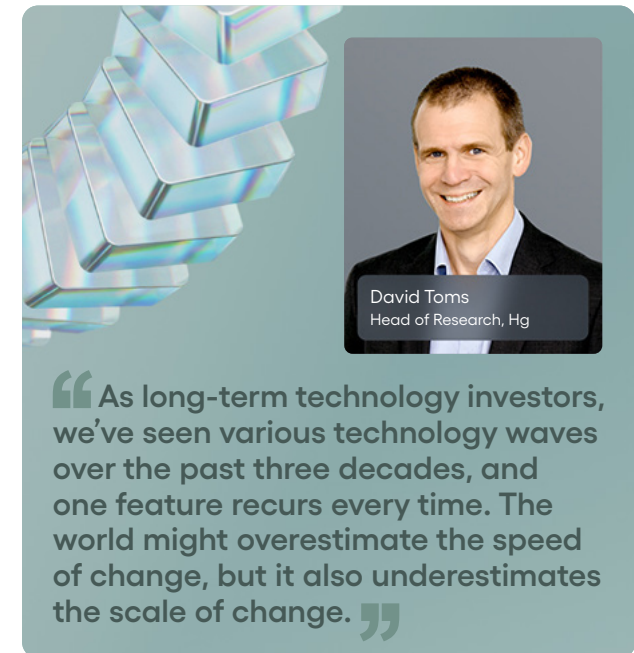
In recent periods we have commented that we did not expect 2023's multiple expansion to persist and this was indeed the case in the first half of 2024. Public market multiples were relatively stable in the period (although they have been somewhat more volatile post the period end). This multiple stability was another trend that repeated across the portfolio, thus our investment performance for the period is the result of earnings performance, the ultimate arbiter of long-term outcomes, as we have previously demonstrated.

Following the last two years of strong exit and liquidity activity, we have crystallised much of the positive performance of our more mature fund vintages, substantially de-risking these funds and providing further validation of the valuations at which we hold our portfolio companies. All Hg fund vintages from 2012 to 2018 rank in the top quartile for Distributed to Paid-In Capital ('DPI') when compared to peers. As a result, the first half of 2024 has seen our collective

efforts tilt somewhat towards new investment activity, with three new investments in the period, and two more signed immediately after the period end. We believe that activity-levels are steadily accelerating both for Hg funds and more broadly in the market. Looking to the remainder of 2024, we remain of the view that multiples are unlikely to expand. Recent weeks have seen increased volatility in public markets, particularly influenced by currency movements. Whilst these have a limited direct impact on the portfolio, we have a watchful eye on the general macroeconomic picture and will continue to manage the interplay of revenue growth and margins in order to best drive long-term value.

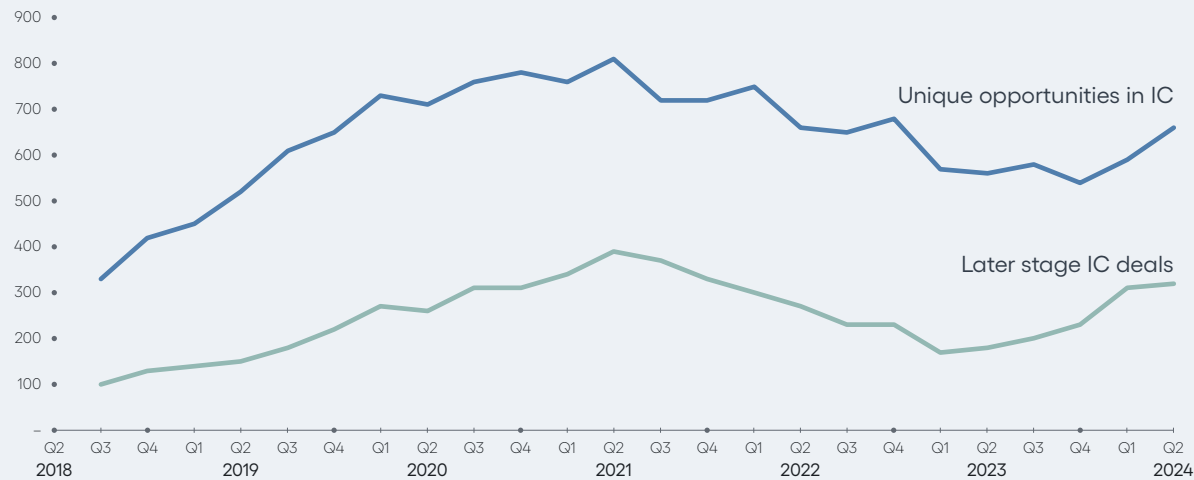
Trading remains relatively robust, although headwinds to growth have increased slightly over the past six months. In particular, lower inflation means that even if real growth rates are sustained, nominal (i.e. reported) growth sees a couple of percentage points of drag on nominal organic growth. However, we should contextualise this for the kind of businesses we own, because it might not align with how other, more generalist investors, describe the environment. The vast majority of our revenue arises from the existing customer base, which typically is enough to drive modest growth even absent any new business. Previous cycles have shown that B2B software follows a late cycle, with a very muted effect of economic slowdown as software purchase / upgrade decisions are modestly deferred or scaled back. For our portfolio, when life gets a bit tougher and new business slows, or inflation falls, the actual impact on organic growth is much more limited.

Lower inflation is benefiting the debt financing environment. We have taken advantage of this opportunity to reprice/refinance a significant proportion of our debt packages this year, leading to \$140 million of annualised interest saving across the portfolio. We have no maturities for the next two years, and 80% of debt has over three years to run.



We continue to be alert to opportunities and challenges arising from GenAI. It was, once again, the key focus at Hg's annual Software Leadership Gathering in Lucerne in June. Our speaker list this year featured several senior figures from the transatlantic software industry and focussed on looking for opportunities resulting from GenAI. The discussions we hosted re-inforced our belief that established software companies are so valuable because of their sector IP, accumulated experience, customer relationships, and data; all of which enable them to deliver the best possible customer propositions at the lowest cost when using modern tools. The GenAI opportunity will not displace much of what our portfolio companies do for their customers, instead it will create meaningful opportunities to do it better or more efficiently.

Investment Committee ('IC') activity levels, 12-month moving average



Note: Indexed to 100 in 2018 for later stage deals. Later stage opportunities defined as those that have passed initial triage and at least one complete review by IC. Unique opportunities are defined as number of unique individual investment opportunities, allowing for the fact that each opportunity may receive multiple reviews at IC.

“ We remain active in generating liquidity, with a cumulative 40 events since the start of 2022, including 7 in the first half of 2024. ”

Live examples of GenAI success in the portfolio continue to increase – doing things more efficiently (one of Visma’s businesses is now automating 90% of support queries) and doing them better. There are more than 250 GenAI automation efficiency projects underway within the portfolio today. We’re also seeing early revenue from AI-enabled products – for example, customers paying a clear premium for automated invoice capture.

As long-term technology investors, we’ve seen various technology waves over the past three decades, and one feature recurs every time. The world might overestimate the speed of change, but it also underestimates the scale of change. Put another way, markets and products won’t evolve much in one year, but they will in ten years. Our role is to invest deeply in our capabilities and understanding to support the kinds

of workflow companies that Hg backs to leverage this next generation of automation into their customers.

Activity levels

Investment Committee activity continued its acceleration; the first half of 2024 saw almost twice as many meetings as in the comparator period in 2023. The run rate is at a level that historically has proven appropriate to deliver our long-term average goal of 10 to 12 investments a year. Given the period over which we track potential investments, rising IC activity takes time to convert to new closed deals, and we remain very sensitive to investment quality in a recovering market. Nevertheless, we are encouraged by the volume of activity and are starting to see this flow through to investments.

We remain active in generating liquidity, with a

cumulative 40 events since the start of 2022, including 7 in the first half of 2024. In our view, this shows the sustained robust level of investor demand for high quality software and services businesses. As noted above, cash returns remain the best evidence of the reliability of our valuations, and the quality of our businesses.

M&A within the existing portfolio is a strong source of value creation. Deal volumes have accelerated over the past three years, and remain at a high level – over 300 transactions a year. The valuations for such investments tend to be materially lower than those of the platform companies that are acquiring them, providing an attractive source of enhanced returns. Of similar importance are the operational opportunities that this M&A enables as the platform company is able to drive both revenue growth and cost synergies.

Business model and risk framework

The Board has a clear view of the rationale for investing in unquoted businesses where the private equity ownership model has the potential to accelerate the growth in value creation. HgT seeks to capture this upside, whilst operating within a rigorous risk management framework.

The Board believes that there is a convincing rationale for directly investing in well-researched private businesses where there is potential for substantial growth in value, notably where there is the ability to work with management to implement strategic or operational improvements.

HgT offers a simple and liquid means by which shareholders can invest in unquoted growth companies, while benefiting from an investment company's governance model.

Business model

To achieve HgT's investment objective and within the limits set by the investment policy, HgT is an investor in unquoted businesses managed, and in most cases controlled, by the Manager. From time to time, HgT may hold listed securities in pursuit of its investment policy.

HgT is currently invested in 50 companies (as set out on pages 39 and 40 of this report), ranging in size, sector and geography, providing diversification.

The Board has delegated the management of HgT's investments to Hg Pooled Management Limited (the 'Manager' or 'Hg'). Further details of the terms of the management agreement are set out on page 62 of this report. The Manager invests predominantly in unquoted software and services businesses in expanding sectors and provides portfolio management support. Hg's review on pages 20 to 47 of this report outlines how HgT's investments are managed on behalf of HgT.

Most of HgT's investments are held through special-purpose partnerships, of which it is the majority limited partner.

Periodically, HgT enters into a formal commitment to invest in businesses identified by the Manager, alongside institutional investors which invest in other Hg Limited

Partnership Funds. Such commitments are normally drawn down over three to four years. The institutional investors and HgT invest on similar terms.

HgT is usually the largest investor in each Hg fund. The Board has a further objective of keeping HgT as fully invested as is practicable, while ensuring that it will have the necessary cash available when a new investment arises.

The Board, on the advice of the Manager, makes assumptions about the rate of deployment of funds into new investments and the timing and value of realisations. However, to mitigate the risk of being unable to fund any draw-down under its commitments to invest, the Board has negotiated a right to opt out of its obligation to fund such draw-downs, without penalty where certain conditions exist.

HgT may also take up a co-investment opportunity, directly investing into the business alongside the respective Hg funds (in addition to the investment which it has committed to make).

Typically, HgT has no liability to pay management fees on such co-investment and no carried interest incentive is payable to the Manager on realisation (currently 7% of HgT's NAV is in co-investments). HgT may also offer to acquire or sell a limited partnership interest in any of Hg's funds, in the event that an institutional investor wishes to realise or purchase its partnership interest.

The Board regularly monitors progress across all of the businesses in which it is invested as well as their valuation, the development of the Manager's investment strategy and the resources and sustainability of the business model.

Performance

HgT's aim is to achieve returns in excess of the FTSE All-Share Index over the long term. In the year to 30 June 2024, HgT's NAV per share increased by 6.4% on a total return basis. The FTSE All-Share Index increased by 7.4% on a total return basis over the period. The share price increased on a total return basis by 12.7%. NAV per share has grown by 18.4% p.a. compound over the last 10 years

and 16.1% p.a. compound over the last 20 years.

The share price has seen broadly similar performance growing by 20.0% p.a. compound over the last 10 years and 16.6% p.a. compound over the last 20 years.

All of the above returns assume the reinvestment of all historical dividends. The Board and the Manager aim to continue to achieve consistent, long-term returns in this range.

HgT is not managed so as to achieve any short-term performance relative to any index.

The Board also compares HgT's NAV and share price performance versus other comparable indices with similar characteristics.

Dividend

HgT aims to achieve growth in the net asset value per share and in the share price, rather than to achieve a specific level of dividend. Furthermore, the ability of HgT to pay dividends is very much influenced by the capital structures of the transactions entered into by Hg and by income received on any liquid resources held subject to investment.

The Board has indicated that it currently believes 5.0 pence per share, over the full year, to be a reasonable level for a floor.

The Board has declared an interim dividend in 2024 of 2.0 pence (2023: 2.0 pence). The Board keeps the dividend objective of HgT under regular review and will communicate, to shareholders, further guidance on the dividend when it is practicable to do so.

Investment trust status

As HgT is constituted as an investment trust and its shares are listed on the London Stock Exchange, it can take advantage of tax benefits available to investment trusts. This allows HgT to realise investments from its portfolio without liability to corporation tax. The Board intends to retain this status provided that it is in shareholders' interest so to do.

It is important to note that HgT, in order to qualify for continuing investment trust tax status, may retain no more than 15% of its taxable income, in any given year.

Past performance is not a reliable indicator of future results.

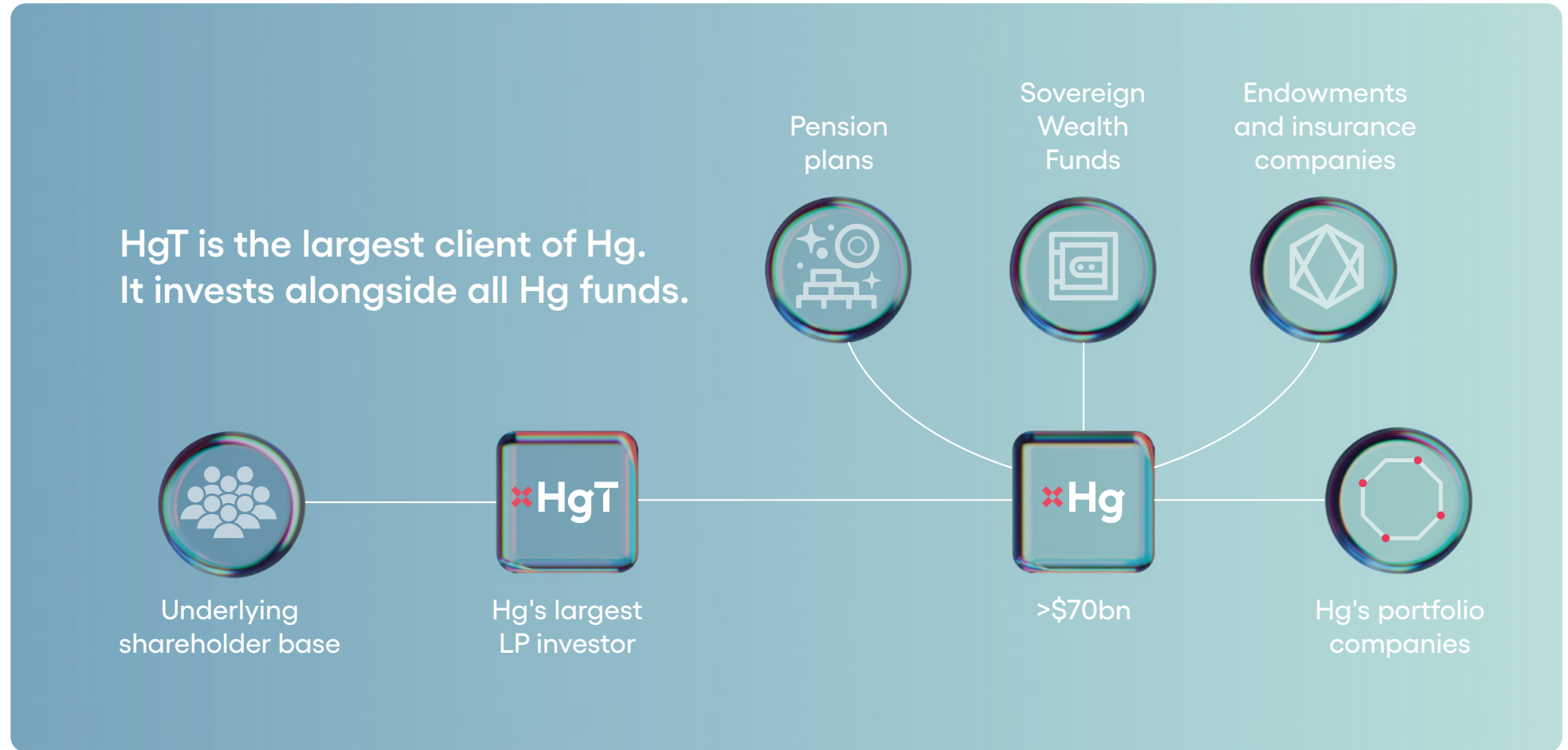
The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested.

Going concern

HgT's business activities, together with those factors likely to affect its future development, performance and financial position are described in the Board's Strategic Report and Hg's Review. The financial position of HgT, its cash flows, liquidity and borrowing facilities are described in the Strategic Report. The Directors have considered the FRC Guidance on Risk Management,

Internal Control and Related Financial and Business Reporting and believe that HgT is well placed to manage its business risks successfully. The Directors review cash flow projections regularly, including important assumptions about future realisations and the rate at which funds will be deployed into new investments. The Directors have a reasonable

expectation that HgT will have adequate resources to continue in operational existence for at least the next 12-month period from the date of approval of this Report and to be able to meet its outstanding commitments. Accordingly, they continue to adopt the going concern basis in preparing these results.



Principal and emerging risks and uncertainties

During the first half of 2024, the Board has continued to operate a comprehensive Risk Management Framework to assess the principal and emerging risks facing HgT. Managing risk is fundamental to the sustainable long-term delivery of HgT's strategy and this framework provides objective support for Board decisions, as they relate to performance, capital structure, liquidity, valuation and business model.

The Risk Management Framework is dynamic and used by the AVRC to assess the probability and likely impact of principal risks, to ensure that HgT operates within a defined risk appetite for each category, and that focus is maintained upon those risks which require attention, prioritising mitigating actions from both HgT and Hg. The risk register is regularly stress-tested, providing assurance that the performance of HgT is insulated, as far as practical, from exogenous factors in the operating environment.

During the first half of the year, the resilience of HgT's investment model continued to be tested by the wider macro-economic uncertainty, as was the performance of the portfolio companies.

While inflation has fallen significantly since the peaks of 2022/23, the interest rate cuts made by some central banks have only been modest, and a number of other macroeconomic and geopolitical challenges and risks remain. Against this backdrop, the resilience of HgT's portfolio has continued to be demonstrated, yet, the overall level of risk remains elevated.

The Board and AVRC anticipate that the macro-economic environment is likely to remain challenging and will cause the level of mitigated risk to remain elevated throughout the second half of 2024. Whilst the revenues and operations of Hg's portfolio companies are not reliant upon the economies of Russia, Ukraine or Israel, heightened geo-political uncertainty is a continuing risk that has been seen to lead to broader economic impacts. The Board and AVRC, following careful consideration, have determined that it is appropriate to accept this elevated level of risk on a temporary basis and remain confident in the resilience of the business models of the underlying portfolio investments. Further mitigating actions will be taken, should the overall level of risk exceed the Board's stated risk appetite.

















HgT considers the principal risks to be in four main categories:

- Investment Risk**
the risk to HgT that inappropriate investment or realisation decisions reduce the returns made.
- Financial Risk**
the risk that HgT's valuation, liquidity or resources are insufficient to allow HgT to invest.
- Operational Risk**
the risk of changing regulation: failure of Hg's processes and internal control systems and underlying portfolio performance.
- External Risk**
the risk of adverse macro-economic, regulatory or geo-political change.

Risk trend: ▲ improving ● stable ▼ worsening

Appetite: ✔ within ✘ outside

Potential risk	Potential impact	Mitigation	Trend/Appetite
Investment			
<p>Performance</p> <p>Risk that underlying portfolio companies underperform.</p>	<ul style="list-style-type: none"> • Reduction in NAV • Reduction in share price • Reputational damage 	<ul style="list-style-type: none"> • Deployment of capital is a rigorous process determined by the Hg Investment Committee, operated by experienced investment professionals • Portfolio performance is reviewed regularly by Hg's Realisation Committee comprising experienced investment professionals and the HgT AVRC • An operational performance group interacts across the portfolio to drive performance • Realisations continue to be made at or above valuation 	<div style="border: 1px solid #ccc; padding: 2px; width: 20px; height: 20px; margin: 0 auto;"> <div style="background-color: #e0e0e0; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> - </div> <div style="background-color: #e0e0e0; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> ✔ </div> </div>
Financial			
<p>Valuations</p> <p>Risk that inaccurate valuations would lead to a misleading NAV.</p>	<ul style="list-style-type: none"> • False market in HgT shares • Reputational damage • Reduction in share price • Constrained access to capital 	<ul style="list-style-type: none"> • Valuations are prepared in accordance with IPEV guidelines and tested against HgT's Valuation Policy • The Manager's Valuation Committee, independently chaired, reviews and approves valuations quarterly • The auditors of both Hg funds and HgT review the valuation and methodology as part of their audit procedures • The AVRC reviews and cross-checks valuations against a broad range of objective valuation methodologies 	<div style="border: 1px solid #ccc; padding: 2px; width: 20px; height: 20px; margin: 0 auto;"> <div style="background-color: #e0e0e0; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> - </div> <div style="background-color: #e0e0e0; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> ✔ </div> </div>

Potential risk	Potential impact	Mitigation	Trend/Appetite
Liquidity Risk that insufficient liquid resources are available to make investments.	<ul style="list-style-type: none"> • Reputational damage • Reduced NAV growth • Reduced shareholder return 	<ul style="list-style-type: none"> • Borrowing structures and cash flow forecasts are considered at each HgT Board meeting • An additional £375 million of liquidity is available through a bank facility, which was undrawn at 30 June 2024 • An opt-out facility is available where certain conditions exist across all investing funds 	 
Commitment Risk that capacity is insufficient to underwrite future commitments to Hg funds.	<ul style="list-style-type: none"> • Reduced shareholder return • Reduction in share-price 	<ul style="list-style-type: none"> • A bank facility is in place to facilitate orderly management of the balance sheet • There is an opt-out facility available where certain conditions exist across all investing funds • A five year cash and commitment forecast is independently reviewed by the AVRC 	 
Operational			
Regulation Risk that regulation changes affect investment trust status.	<ul style="list-style-type: none"> • Increased corporation tax, leading to higher fees and potential impact on valuation • Reduction in share price 	<ul style="list-style-type: none"> • The Manager monitors investment movements, forecast income and expenditure and retained income (if any) to ensure compliance with sections 1158 and 1159 of the CTA • Continuing investment trust status is assured by the Manager at each meeting of the Board 	 
Regulation Risk that other changes in legislation, regulation or government policy could influence the decisions of investors.	<ul style="list-style-type: none"> • Misunderstood or misreported regulation leading to reduced demand for shares • Lack of adherence to regulation leading to reputational risk 	<ul style="list-style-type: none"> • Regular compliance and risk reviews are reported to the Board by the Manager's compliance team • Strong shareholder engagement through: <ul style="list-style-type: none"> – dedicated investor relations team – corporate broker – company secretary 	 
Manager internal controls and processes Risk that control weaknesses of the Manager lead to poor performance or non-compliance with regulations.	<ul style="list-style-type: none"> • Reputational damage • Reduced shareholder returns 	<ul style="list-style-type: none"> • The Manager is regulated and supervised by the FCA • The Manager has controls in place, including those related to investment decisions; portfolio reviews; recruitment, training and promotions; financial performance and payments; protection of client assets; compliance; regulation • The Board of HgT and its auditors regularly review these processes and controls 	 
Cyber security Risk of cyber attack and data loss at Hg and portfolio companies.	<ul style="list-style-type: none"> • Loss of or lack of control over data due to cyber attacks • Reputational damage • Regulatory sanction 	<ul style="list-style-type: none"> • Increased investment in the portfolio cyber security team which assesses the cyber-security risks of acquisitions and monitors cyber security across Hg and the portfolio companies and mandates improvements • The Privacy, AI & Security Committee, co-Chaired by Hg's Head of Compliance & Risk and Hg's Data Privacy SME, seeks to ensure Hg maintains appropriate processes, procedures and controls to protect its data. 	 
External			
Political, macro-economic and international healthcare uncertainty Risk arising from macro-economic shocks, geo-political instability, conflict and pandemic events.	<ul style="list-style-type: none"> • Portfolio companies suffer revenue declines • Reduction in valuation of portfolio investments • Disruption to capital markets • Earnings multiples of listed companies applied to valuations might be adversely affected 	<ul style="list-style-type: none"> • Hg's portfolio is diversified by end market and geography, with the majority of revenues derived from subscription-based recurring revenues for non-discretionary technology-led services • The Manager remains focused on the various issues which may need to be addressed, including: <ul style="list-style-type: none"> – reduced availability of credit to fund future investments – regulation, marketing, trade and foreign exchange movements • These are regularly monitored by the Board of HgT, considering a range of downturn scenarios/stress tests in our business planning • Operational performance, valuations and investment deal flow have shown resilience to pandemic disruptions 	 
Foreign exchange Risk of foreign exchange movements affecting investments made in currencies other than Sterling.	<ul style="list-style-type: none"> • Reduction in shareholder returns 	<ul style="list-style-type: none"> • The Board of HgT regularly monitors currency fluctuations • The Hg treasury functions hedge currency exposure and actively mitigate currency risk where appropriate 	 

Investment objective and investment policy

The objective of HgT is to provide shareholders with consistent long-term returns in excess of the FTSE All-Share Index by investing predominantly in unquoted companies where value can be created through strategic and operational change.

Investment policy

The policy of HgT is, in summary, to invest, directly or indirectly, in a portfolio of unlisted companies; where Hg believes that it can add value through increasing organic growth, generating operational improvements, driving margin expansion, reorganisation or acquisition – to achieve scale. HgT seeks to maximise its opportunities and reduce investment risk by holding a spread of businesses diversified by end-market and geography. The company's investment policy is set out, in full, in the Annual Report.

Risk management

HgT has adopted formal policies to control risk arising through excessive leverage or concentration. HgT's maximum exposure to unlisted investments is 100% of the gross assets of HgT from time to time. On investment, no investment in a single business will exceed a maximum of 20% of gross assets. HgT may invest in other listed closed-ended investment funds, up to a maximum at the time of investment of 15% of gross assets.

Sectors and markets

HgT's policy is to invest in businesses in which Hg can work collaboratively with management teams to help those businesses achieve their full potential and grow, organically and inorganically. HgT's investments are focused on a range of specific sub-sectors within the software and technology-enabled business services in industry verticals where Hg can utilise the full extent of its knowledge and experience. The businesses HgT invests in often operate across multiple countries but are substantially headquartered in Europe, with a minority based in North America. HgT may, from time to time, invest directly in private equity funds managed by Hg where it is more economical and practical to do so.

Leverage

Each underlying investment is usually leveraged, but no more than its own cash flow can support, in order to enhance value creation; it is impractical to set a maximum for such gearing across the portfolio as a whole. HgT commits to invest in new opportunities in order to maintain the proportion of gross assets which

are invested at any time, but monitors such commitments carefully against projected cash flows. HgT has the power to borrow and to charge its assets as security. The articles restrict HgT's ability (without shareholders' approval) to borrow no more than twice HgT's share capital and reserves, allowing for the deduction of debit balances on any reserves.

Hedging

Part of HgT's portfolio is located outside of the UK, predominantly in northern Europe, with a further part in businesses which operate in US dollars. HgT may therefore hold investments valued in currencies other than sterling. From time to time, HgT may put in place hedging arrangements with the objective of protecting the sterling translation of a valuation in another currency. Derivatives are also used to protect the sterling value of the cost of investment made or proceeds from realising investments in other currencies, between the exchange of contracts and the completion of a transaction.

Commitment strategy

HgT employs a commitment strategy to ensure that its balance sheet is managed efficiently. The level of commitment is regularly reviewed by the Board and Hg.

Liquid funds

HgT maintains a level of liquidity to ensure, as far as can be forecast, that it can participate in all investments made by Hg throughout the investment-realisation cycle. At certain points in that cycle, HgT may hold substantial amounts of cash awaiting investment. HgT may invest its liquid funds in government or corporate debt securities, or in bank deposits, in each case with an investment grade rating, or in managed liquidity funds which hold investments of a similar quality.

If there is surplus capital and conditions for new investment appear to be unfavourable, the Board will consider returning capital to shareholders, probably through the market purchase of shares.

Any material change to HgT's investment objective and policy will be made only with the approval of shareholders in a general meeting.

Interim management report and responsibility statement

Interim management report

The important events which have occurred during the period under review are described in the Chairman's Statement and in the Manager's Review – these also include the key factors influencing the financial statements.

Statement of Principal Risks and Uncertainties

The principal risks faced by HgT can be found under the heading 'Principal and Emerging Risks and Uncertainties' within the Business Model and Risk Framework section on pages 14 to 17. HgT's principal risks and uncertainties have not changed materially since the last annual report and are not expected to change materially for the second half of HgT's financial year. The Directors have ensured that all principal risks will be kept under review throughout the year.

Related party transactions

The Company's related party transactions are disclosed in HgT's 2023 Annual Report. There have been no material changes in the related party transactions described in the last annual report.

Going concern

As stated in note 2 to the condensed financial statements, the Directors are satisfied that HgT has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Responsibility statement

The Directors confirm that, to the best of their knowledge,:

- the condensed set of Financial Statements has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and return of HgT.
- the interim management report (incorporating the Chairman's Statement and the Manager's review) includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events which have occurred during the first six months of the financial year and their impact on the condensed set of financial statements – and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related-party transactions which have taken place in the first six months of the current financial year and which have materially affected the financial position or performance of HgT during that period – and any changes in the related-party transactions described in the 2023 annual report which could have a material effect on the financial position or performance of HgT in the first six months of the current financial year.

We consider the interim report and accounts, taken as a whole, to be fair, balanced and understandable and to provide the information necessary for shareholders to assess HgT's position and performance, business model and strategy.

This interim financial report was approved by the Board of Directors on 13 September 2024.

Jim Strang
Chairman
13 September 2024



Together we build enduring software and services leaders that transform how people work

Hg is a leading investor in European and transatlantic software and services businesses.

Hg focuses on building transatlantic champions that provide critical services for many thousands of businesses globally.

We are a tech investor that has both a strong European heritage and scaled presence across North America.

We are investing in the future, helping to progress workplace automation and digitisation trends still in early stages of adoption, set to transform the workplace for professionals over decades to come.

References in this interim report and accounts to the 'portfolio', 'investments', 'companies' or 'businesses' refer to a number of investments, held as indirect investments by HgT through its direct investments in fund-limited partnerships (HGT LP, HGT 7 LP ('G7'), HGT 8 LP ('G8'), HGT Genesis 9 LP ('G9'), HGT Genesis 10 LP ('G10'), HGT Mercury 2 LP ('M2'), HGT Mercury 3 LP ('M3'), HGT Mercury 4 LP ('M4'), HGT Saturn LP ('S1'), HGT Saturn 2 LP ('S2') and HGT Saturn 3 LP ('S3')).

Hg Pooled Management Limited was authorised as an alternative investment fund manager with effect from 22 July 2014. Please refer to pages 111 to 113 of the 2023 annual report.

Past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested.



The Hg portfolio, if taken as one company, would be one of the largest and fastest-growing software companies in Europe.

Source: Hg analysis

>30

years of investment

>175

investments in software and services businesses

50

portfolio companies

5

investment offices in London, Munich, New York, San Francisco and Paris

>200

highly regarded institutional investors

>\$70bn

funds under management

Overview

About Hg

HgT is the largest client of Hg and it has been managing HgT's assets since 1994, offering investors a liquid investment vehicle to gain exposure to Hg's diversified network of unquoted investments with minimal administrative burdens, no long-term lock up or minimum size of investment. HgT has the additional benefit of a Board of independent Directors and corporate governance, investing in parallel in Hg's funds on the same financial terms as all institutional investors.

Previously the private equity arm of Mercury Asset Management plc acquired by Merrill Lynch in 1997, Hg became a fully independent partnership in 2000, 100% owned and managed by its partners.

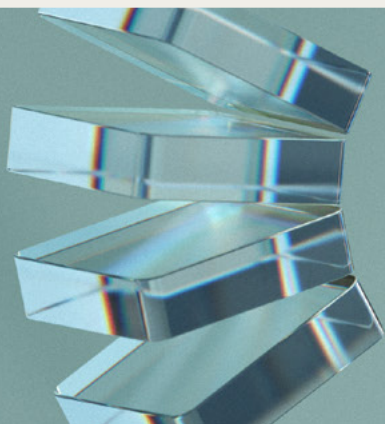
Hg has worked hard to develop its unique culture and approach – setting it apart from other investors. It is committed to building enduring software and services leaders that transform how people work, through deep sector specialisation and dedicated, strategic and operational support.

Our investments

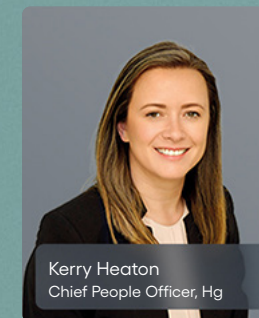
Primarily focused on defensive growth buyouts in software and services operating in specific end-market 'clusters' with enterprise values ('EVs') of £100 million to over £10 billion, growing faster than the broader economy. Hg predominantly seeks controlling equity buyout investments in businesses headquartered in Europe and North America, often with a global footprint and customer base.

The power of the portfolio

The Hg approach and strategy creates a natural environment for knowledge-sharing, with a network effect to drive best practices and value creation initiatives. We believe in collaboration and the 'power of the portfolio'. Hg invests repeatedly in specific business models, with a dedicated Portfolio Team that has been able to develop an approach to drive value creation during Hg ownership.



“ At Hg, we are laser focused on maintaining our culture – through who we hire, what we value, how we behave and how we work together. We are also broadening our thinking on diversity. Whilst we remain focused on diversity that can be seen, we are also being more thoughtful about cognitive diversity; how we bring people together with differing views and approaches to problem solving. This in turn leads to higher quality ideas and decision-making across Hg and our portfolio businesses. ”



Kerry Heaton
Chief People Officer, Hg

Our team

Based in offices across Europe and North America, Hg has a diverse and exceptionally talented team that pride themselves on an impressive and consistent track record, generating strong returns across market cycles. This has been achieved by staying innovative, striving to constantly improve and evolving the firm whilst maintaining Hg's unique culture.

Our culture is at the core of what makes Hg a high performing firm. When it comes to complex decision making, originating new ideas and determining strategy, it is critical to have a team representing different insights, perspectives and information.

We also look to foster diversity and inclusion in the wider investment ecosystem and we are a proud partner of Level 20, SEO's Alternative Investment Programme, 10,000 Black Interns, Bloss.m and LGBT Great. All of these are not-for-profit organisations aligned around a common vision to inspire and support more under-represented groups to join our industry.

c.400
team members

c.240
investment and portfolio
management executives

49
nationalities



“ Diversity enables us to source deals differently, ask broader and further reaching questions and challenge the assumptions that underpin conventional thinking. This leads to better investment decisions and superior business performance: the more complex the challenge at hand, the greater the differentiation we achieve. ”



Nic Humphries
Senior Partner, Hg

Investment strategy

One strategy across a diverse size range in software and services businesses



Lower mid-market
Typical deal equity requirement of >€100m



Mid-market
Typical deal equity requirement of >€500m



Upper mid-market
Typical deal equity requirement of >€1bn

Hg's focus on software and services has developed to a collective expertise and a deep understanding of these markets and businesses. Hg is not constrained by top-down asset allocation and applies a rigorous approach when evaluating all investment opportunities. The objective is to pursue investment theses supporting long term growth, leveraging its expertise working in these sectors, implementing initiatives designed to maximise organic expansion, as well as through M&A, over typical hold periods of approximately five years.

Deep knowledge and networks within our end-market 'clusters'

Hg has a unique approach and strategy, with a focus on achieving scale in tightly defined 'clusters' of expertise. This specialisation helps us to build deep know-how.

This flexible approach means that, at any given time, the Hg portfolio is likely to comprise c.50 software and services with similar characteristics, but of different sizes, end-market focus and maturity profiles.

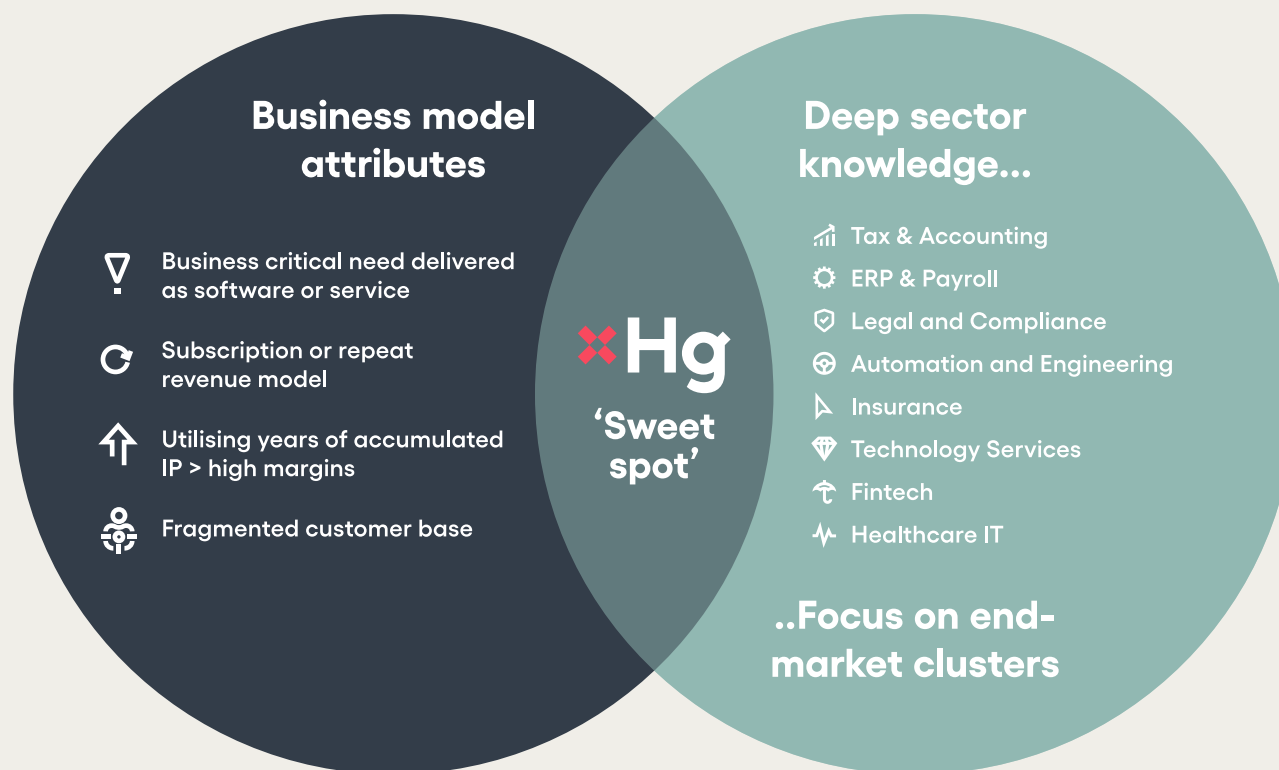
Hg's offices in North America enhance the ability to crystallise and develop transatlantic investment opportunities, manage existing investments and make bolt-on acquisitions, as well as continue to engage with – and ultimately sell – portfolio companies to North American trade buyers.

Hg's position as Europe's leading software investor is enhanced by its US footprint.

The Hg 'sweet-spot' business model

Hg has a clear and robust business model, focused on long-term, consistent and defensive growth, predominantly through investment in buyouts located throughout Europe and North America. We seek companies which share similar characteristics, often providing a platform for merger and acquisition ('M&A') opportunities.

We believe that such companies have the potential for significant performance improvement.



The power of the portfolio

>60
senior Hg operational specialists

>\$54m
of software cost savings for our portfolio from Hg's collective deals










c.75
C-suite and board placements led by in-house talent team over last 2 years

Our focus

From sharing best practice and resources, through to tailored teams of technical experts, we work closely with the companies in which we invest to ensure that they gain the tools and guidance required for business success:

Every company gets access to the operational experts, project execution resources, intellectual property ('IP') and third party networks, with the nature of support taking a variety of forms including:

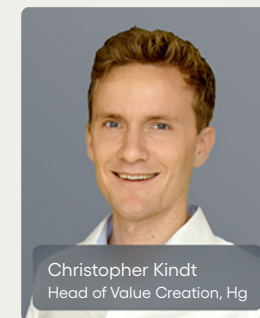
- direct support, co-owning and driving specific initiatives to help the business deliver value more quickly
- utilising experienced industry experts to mentor senior executives, helping them to build more scalable functions
- introducing management teams to their counterparts in other Hg portfolio companies which have faced comparable challenges

-  **Data and AI**
-  **Growth**
-  **Tech, Product, Cyber**
-  **Projects Support**
-  **Talent and Org**
-  **Finance and FP&A**
-  **ESG and Legal**
-  **Business Systems**
-  **Geographic Coverage**

Value creation

We work with our portfolio management teams to drive impact, by identifying opportunities systematically through benchmarks and diagnostics, helping prioritise and build robust value creation plans, and then establishing and executing rigorous impact projects. We do this using a large team of functional experts along with dedicated execution resources, effective IP, and a network of trusted third-parties to bring additional capability and capacity.

“With our focused yet scaled portfolio, we have a unique opportunity to provide deep, systematic support to management across all the key value creation levers that Hg’s experience is able to provide across all the businesses we invest in.”



Christopher Kindt
Head of Value Creation, Hg

The Hg portfolio community

One of the most powerful ways in which we motivate change is through peer-to-peer collaboration.

By bringing together the management teams of companies with similar business models, Hg events provide attendees with invaluable opportunities to build connections, problem solve and share best practice as a community.

Hg runs over 100 virtual portfolio events per year, and 10 in-person conferences for c-suite executives, which take place in the UK, Europe and North America to reflect our growing global portfolio.



Hive, Hg’s online engagement platform, is a custom-built technology designed exclusively for senior leaders in the portfolio. Hive provides a secure space for members to network with peers, collaborate and share knowledge. Accessible 24/7 and grouped into specialist communities, Hive also provides members with access to trusted tools, best practice resources and the latest information.

Responsible investment

5*/4* UNPRI ratings (100% for PE, 89% for policies and stewardship)

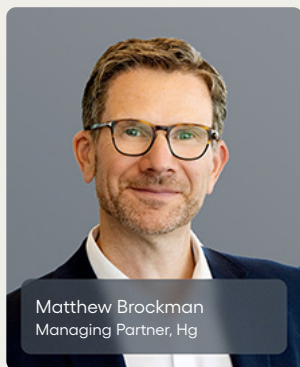
\$29m donated via The Hg Foundation

42 Employee Net Promoter Score

Why responsible investment is important to us

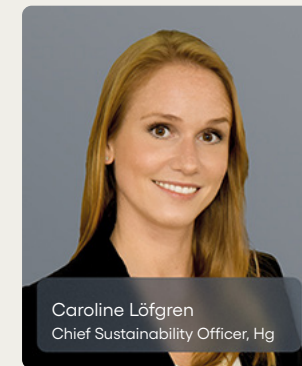
“While a tougher year for PE generally, 2023 remained a strong year for Hg, which has continued into 2024, as the performance of our resilient family of software and services companies reflected strong foundations. Our long-term approach to business growth has made a significant contribution to this; creating responsible businesses for the future, sustaining investment in products that delight customers and creating quality employment opportunities.

It is important to us that our purpose has an equally long-term horizon: “To improve the future of millions of investors by building sustainable businesses for tomorrow”. Working for the millions of individual investors whose pension, savings, or endowment capital we invest. Our purpose is shared with every single person that joins our firm and across thousands of the employees that work within Hg portfolio companies. We will continue to deliver on this purpose, if we are growing and investing responsibly. Having said that, we continue to learn and improve each year, to do more and evolve. Ensuring that responsibility to our investors, to employees in the businesses that we back, and my own colleagues, is embedded into the ethos of everything we do.”



Matthew Brockman
Managing Partner, Hg

“ ESG continues to be an important part of the value creation journey for our businesses. This year we conducted the sixth annual ESG Diagnostic across our portfolio, which means we have now completed c.300 ESG assessments of previous and existing portfolio companies. This has enabled us to build a strong set of data benchmarks to support our portfolio companies in their sustainability journeys; mitigating risks and seizing opportunities.”



Caroline Löfgren
Chief Sustainability Officer, Hg

Materiality

The topic of ESG constantly evolves with new regulations, stakeholder demands and emerging topics that we need to consider. To make sure that Hg focuses on what matters most to the firm, portfolio, and other key stakeholders, they conduct an annual materiality analysis. As you would expect for an investor in software and services businesses, cyber-security, anti-trust, climate & energy and diversity & inclusion continue to be high priority topics for Hg and their stakeholders. We explore two of these topics in more detail below:

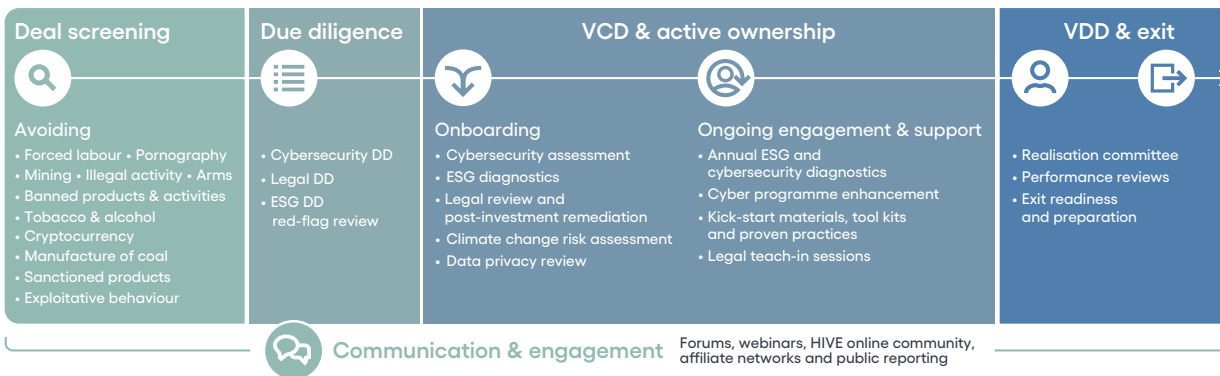
Climate change

Climate change remains at the top of the agenda for regulators, investors and society at large. Acting on climate change is important and working collaboratively is critical

to driving material change. Hg is a founding member of the UK network of the initiative Climat International (‘iCI’) which is a UNPRI endorsed network of Private Equity firms working collaboratively on climate change. As part of Hg’s commitment to mitigate climate change, it is a signatory of the Net Zero Asset Manager’s initiative (NZAMi) and has set long-term and short-term targets in line with, and approved by, the Science Based Targets initiative (SBTi). In 2024, for the second time, HgCapital Trust calculated the carbon footprint of its operations. As the Trust has no employees, fleet or premises, its carbon footprint only comprises the business travel and homeworking of the HgT Board, and was 6.2 tCO₂e for Hg’s financial year to 31 March. This footprint has been compensated for in line with Hg’s firm-level carbon offsetting program.

ESG in the deal lifecycle

ESG is embedded into the entire deal process, from screening to exit.



Diversity, Equity and Inclusion ('DEI')

Hg believes that having a diverse workforce deepens its talent pool and brings a wider range of perspectives. Not only is it fundamentally the right thing to do, but Hg has also seen first hand how DEI creates a virtuous cycle; the more diverse and inclusive a company is, the more everyone adds value. This translates to a greater, more positive impact for all Hg's stakeholders – investors, portfolio companies, employees, and the communities in which Hg operates.

49 nationalities

40% women on the investment team

50% women across the entire firm

Hg's Sustainable Business Framework

Hg's Sustainable Business Framework outlines key ESG focus areas for software and services businesses.

RealDeals PRIVATE EQUITY AWARDS 2023
Winner of The Private Equity Award's Diversity and Inclusion Leader of the Year in 2021, 2022 and 2023

PR | Principles for Responsible Investment

ic initiative climat international
Private equity action on climate change

ESG Data Convergence Initiative

Diversity in Action | ilpa

NET ZERO ASSET MANAGERS INITIATIVE

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SASB
RESILIENTLY ADDING SUSTAINABLE LEADERSHIP

The Hg Foundation

\$30m
committed to date



30+
partnerships



50k+
learners directly supported



Removing barriers to education & skills in technology

The vision of The Hg Foundation is that the tech workforce of the future harnesses the talents of all, regardless of background. To achieve this, it helps under-represented groups to access high quality jobs in tech by supporting education- and employment- based programmes across the UK, Europe and the US. The Foundation, which is an independent registered charity, is funded through a proportion of carried interest from current and future Hg funds and a proportion of Hg's annual profits. By 2027 the Foundation's aim is to catalyse 100,000 high quality opportunities on the talent pipeline into the technology sector, making full use of the assets of the Hg network and investing heavily in understanding the impact of its work.

Imperial College London

SEO Career

Teaching with ChatGPT

Upwardly Global

Birkbeck UNIVERSITY OF LONDON

merit AMERICA

FLORENCE

MANCHESTER 1824
The University of Manchester

Generation FRANCE

cornerstone vc

LET'S GET READY

upReach
Transforming Social Mobility


Purposeful Ventures

TUM
Technische Universität München

Apps for Good

Article.1
PRENDRE LE POUVOIR SUR L'AVENIR

Insights

 For more insights, please visit Hg's website

Period in review

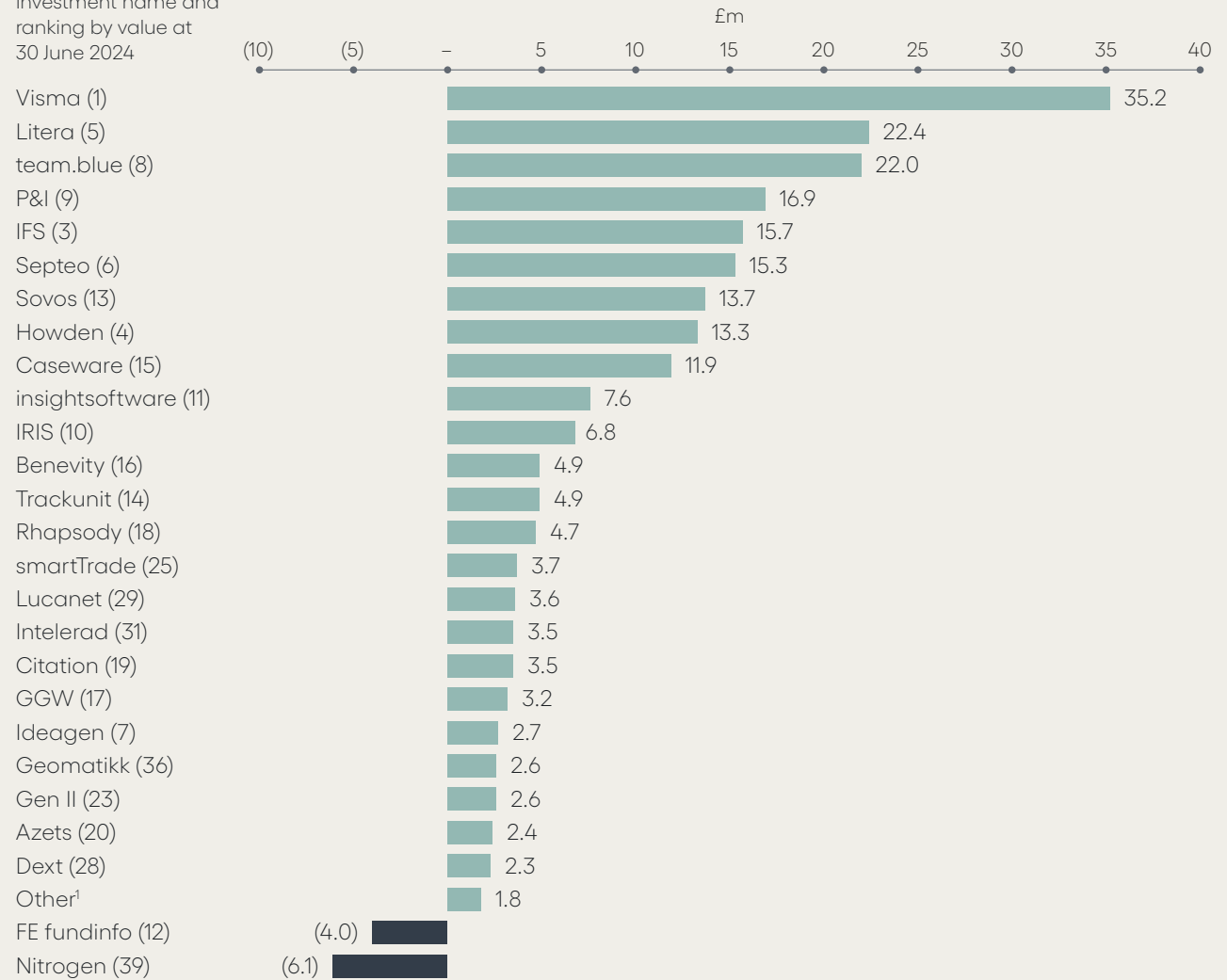
Net asset value (NAV)

During the period, the NAV of HgT increased by £126 million, from £2.3 billion at 31 December 2023 to £2.4 billion at 30 June 2024.



Largest realised and unrealised movements in the value of investments

Investment name and ranking by value at 30 June 2024



¹ Other includes movements across 24 portfolio companies not shown.

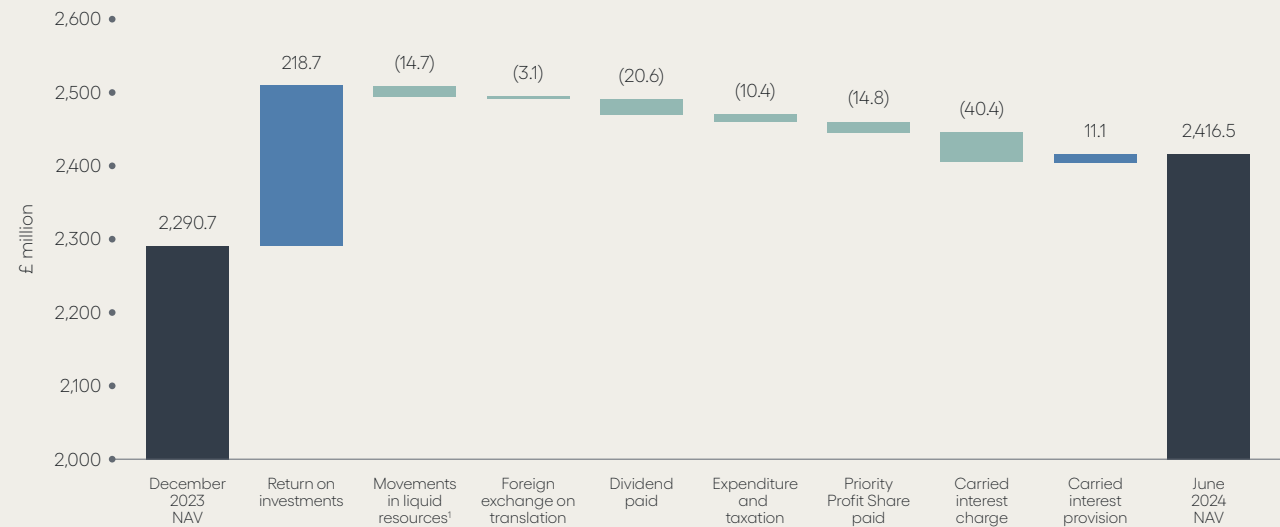
Past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested.

Analysis of NAV movements

Several underlying factors contributed to the increase in NAV but the key driver of value was the £218.7 million return on investment of the unquoted portfolio.

The carried interest provision reduced in the period as a result of realisations in the period triggering carry payments.

Reductions in NAV included: the payment of £20.6 million of dividends to shareholders, priority profit share and other expenses, alongside a carried interest charge of £40.4 million.

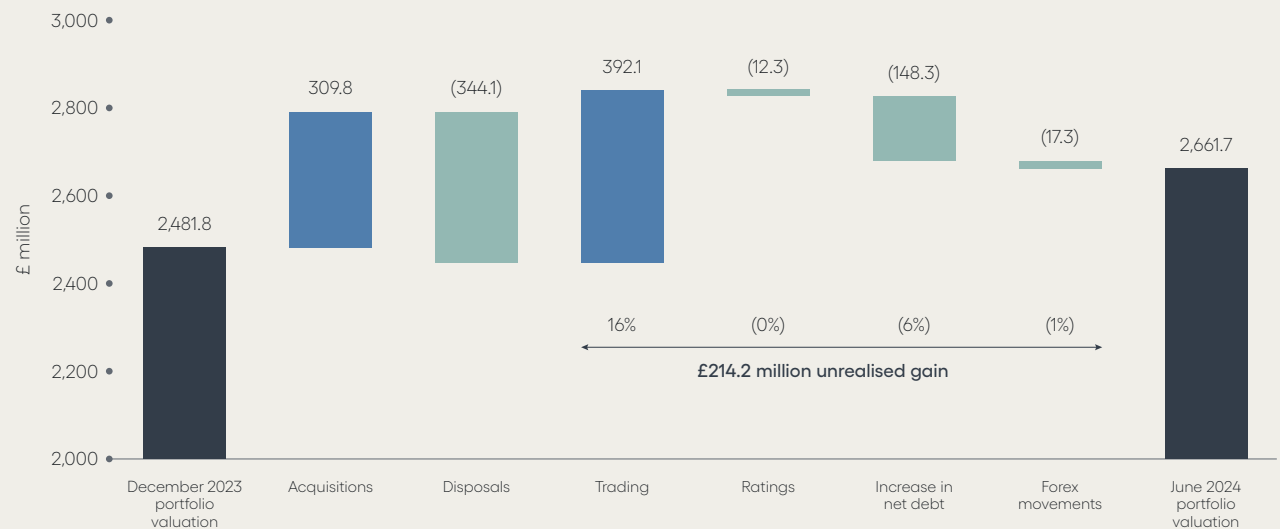


¹ Including unrealised and foreign exchange movement on liquid assets and the fund level facilities

Attribution analysis of movements in the value of investments²

During the first half of 2024, the value of the unrealised investments increased by £214.2 million, before the provision for carried interest. The majority of the increase, £392.1 million, relates to increases from profit growth in the underlying investments. A decrease in valuation multiples reduced the value of investments by £12.3 million.

Realisations at carrying value net of acquisitions of £34.3 million and negative currency movements of £17.3 million decreased the value of the unrealised portfolio. An increase in net debt of £148.3 million contributed negatively to the unrealised portfolio.



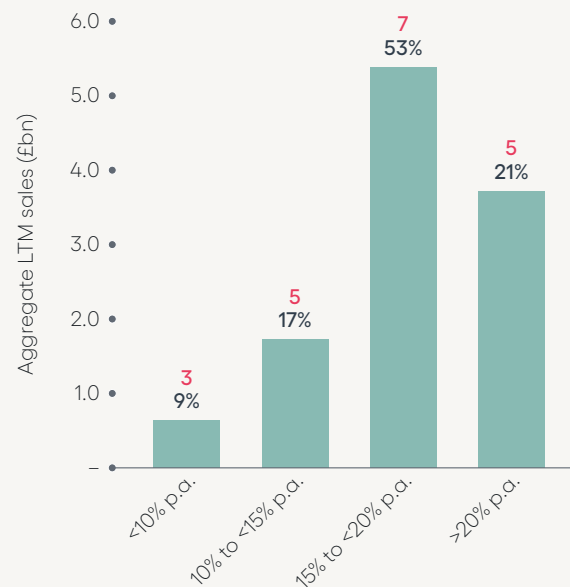
² Including accrued income, but excluding carried interest provision and fund level facilities.

Past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested.

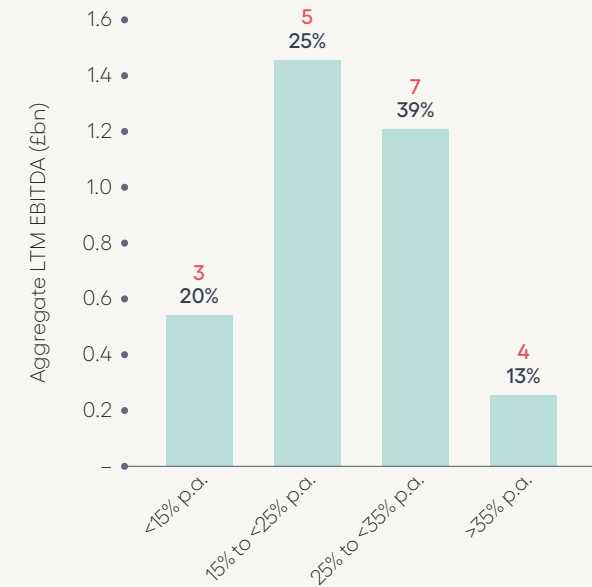
Top 20 portfolio trading performance

- The top 20 investments, representing 78% of portfolio value, have delivered sales growth of 19% (31 December 2023: 25%) and EBITDA growth of 26% (31 December 2023: 30%) over the last 12 months ('LTM')
- 91% of the top 20 companies by value achieved double-digit sales growth; 96% of the top 20 companies delivered double-digit EBITDA growth over the last 12 months
- This robust trading performance in a challenging macro-environment reflects the resilient nature of HgT's portfolio companies and the mission-critical services they provide for their customers
- GGW, Tracunit, Visma and Ideagen reported particularly strong trading over the last 12 months

LTM sales growth: +19%



LTM EBITDA growth: +26%¹



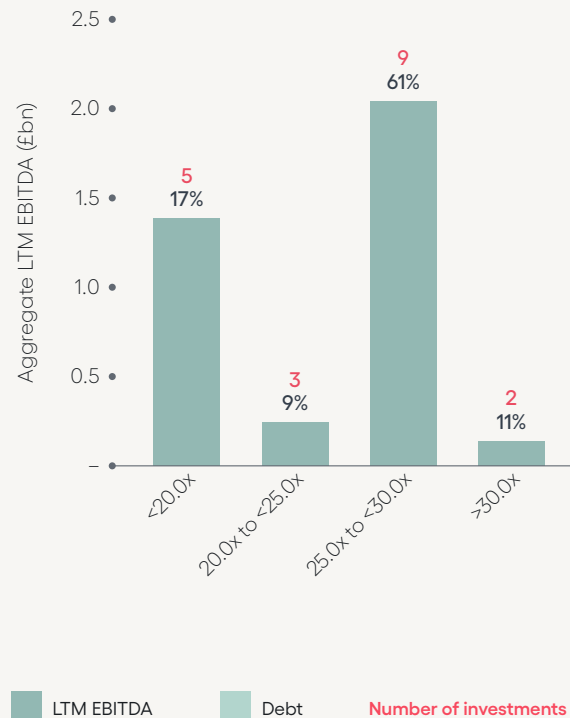
■ LTM Sales ■ LTM EBITDA ■ Number of investments within associated band ■ % of top 20 by value within associated band

¹ Excluding one investment of the top 20 valued on a basis other than earnings. Please note: All figures are as at 30 June 2024 and refer to the top 20 investments, representing 78% of the value of HgT's investments.

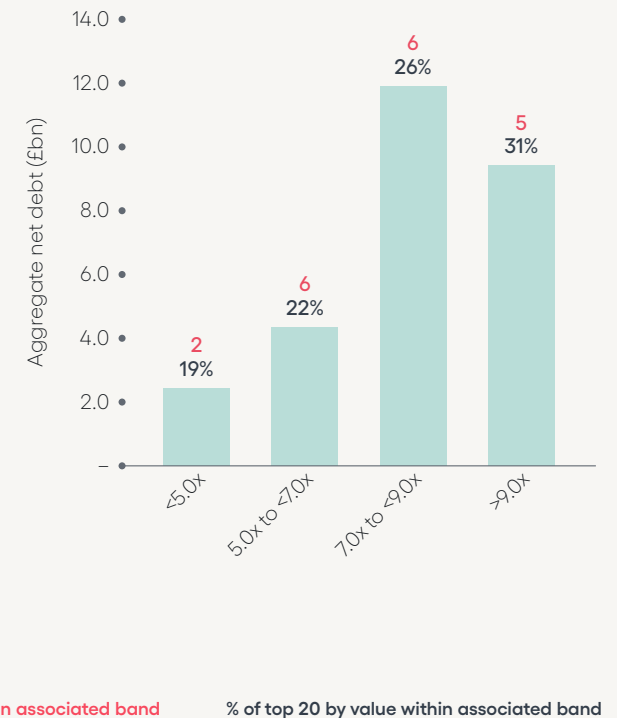
Top 20 valuation and net debt analysis

- The top 20 investments were valued at an EV/EBITDA multiple of 25.9x (31 December 2023: 26.1x)
- EV/EBITDA multiples are used to value the majority of HgT's portfolio companies, in accordance with IPEV Valuation guidelines
- Multiples are derived with reference to comparable companies – both listed and private – and relevant M&A transactions
- The average uplift to carrying value pre signing date achieved on full and partial realisations over the period was 16%. No investments were realised below carrying value as at 31 December 2023
- HgT's portfolio companies make appropriate use of debt to reduce their cost of capital and enhance returns to equity holders
- Portfolio companies have demonstrated a history of growing earnings and of being very cash generative, supporting their ability to service existing debt and to refinance
- Weighted average net debt for the top 20 of 7.4x LTM EBITDA (31 December 2023: 7.4x), represents <30% of the portfolio company capital structures on average
- Interest rate exposure hedged for c.75% of debt with a duration of c.1.7 years

EV to EBITDA valuation multiples: 25.9x¹



Net debt to EBITDA ratios: 7.4x¹



¹ Excluding one investment of the top 20 valued on a basis other than earnings. Please note: All figures are as at 30 June 2024 and refer to the top 20 investments, representing 78% of the value of HgT's investments

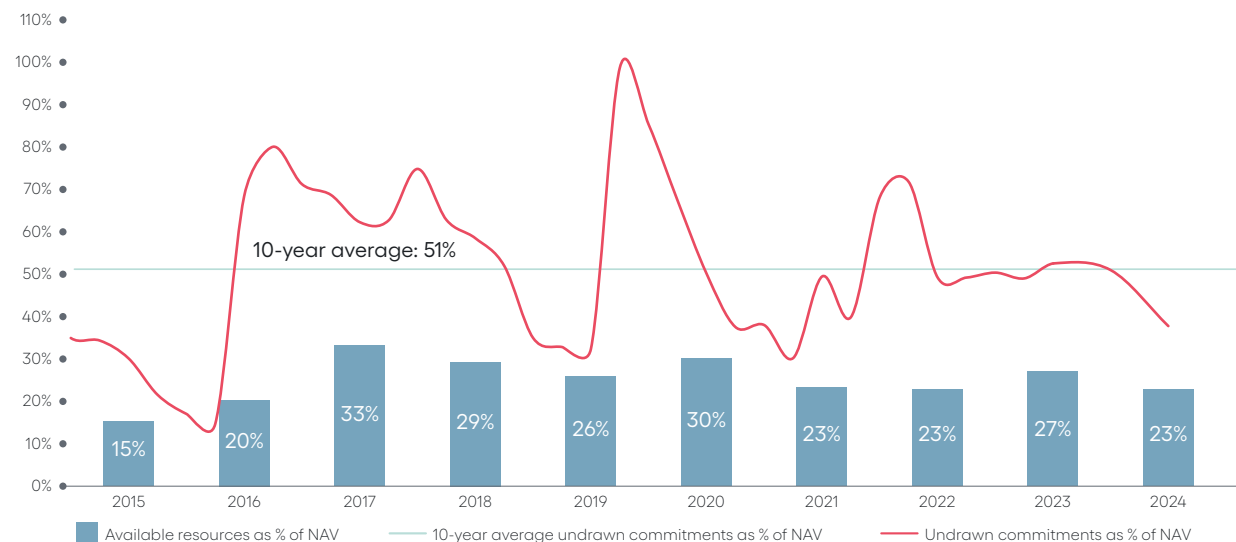
Outstanding commitments of HgT

Fund	Fund vintage	Fund currency	Original commitment fund currency million	Original commitment GBP £million	Outstanding commitments as at 30 June 2024 £million	Outstanding commitments as at 30 June 2024 % of NAV	Outstanding commitments as at 31 December 2023 £million	Outstanding commitments as at 31 December 2023 % of NAV
G10	2022	EUR	500.0	423.9	308.1	12.7	343.4	15.0
S3	2022	USD	875.0	692.2	200.0	8.3	470.5	20.5
HGT	Various	USD	171.2	135.5	120.6	5.0	133.0	5.8
M4	2023	EUR	175.0	148.4	97.6	4.0	131.3	5.7
S2	2020	USD	400.0	316.4	79.7	3.3	83.2	3.6
G9	2020	EUR	360.0	305.2	63.9	2.6	4.1	0.2
G8	2018	GBP	260.0	260.0	16.4	0.7	11.7	0.5
M3	2020	EUR	115.0	97.5	14.7	0.6	5.8	0.3
S1	2018	GBP	150.0	150.0	6.3	0.3	16.8	0.7
M1	2011	GBP	60.0	60.0	3.3	0.2	3.3	0.2
M2	2017	GBP	80.0	80.0	1.4	0.1	0.2	–
G7	2013	GBP	200.0	200.0	0.2	–	0.2	–
Total					912.2	37.8	1,203.5	52.5
Liquid resources					190.7	7.9	275.4	12.0
Undrawn Bank facility					375.0	15.5	350.0	15.3
Net outstanding commitments unfunded by liquid resources					346.5	14.4	578.1	25.2

At 30 June 2024, HgT had available liquid resources of £566 million (including an undrawn £375 million bank facility) and had outstanding commitments of £912 million, as listed above. We anticipate the majority of these outstanding commitments will be drawn down over the next three to four years (2024–28) and are likely to be partly financed by cash flows from future realisations.

Additionally, to mitigate the risk of being unable to fund any draw-down under its commitments to invest alongside Hg's funds, the Board has negotiated a right to opt out of HgT's obligation to fund such commitments without penalty, where certain conditions exist.

Outstanding commitments and available resources as % of NAV



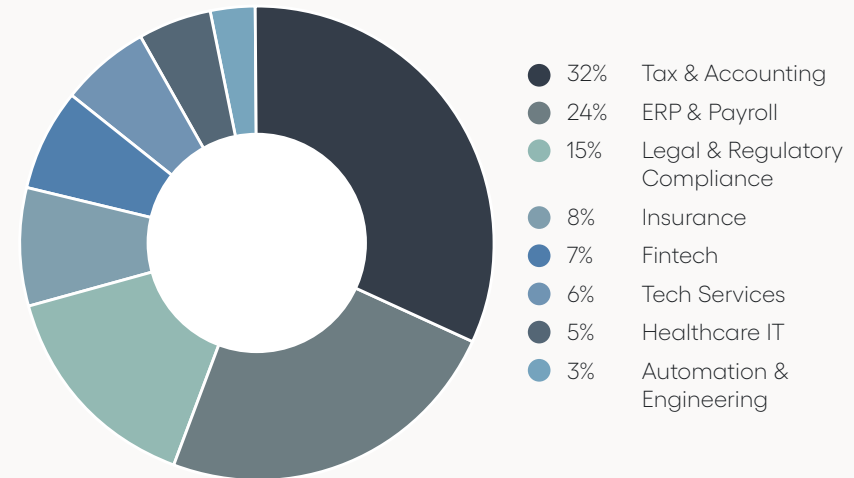
Investment portfolio of HgT

Fund limited partnerships	Gross valuation ¹ £000	Accrued Carry Provision	Net valuation £000	Portfolio value %
Primary funds:				
HGT Saturn 3 LP	495,729	–	495,729	19.9 %
HGT Saturn 2 LP	471,188	(34,218)	436,970	17.7 %
HGT 8 LP	467,198	(77,381)	389,817	15.7 %
HGT Genesis 9 LP	456,074	(28,427)	427,647	17.4 %
HGT LP	214,209	(1,063)	213,146	8.7 %
HGT Saturn LP	159,151	(26,049)	133,102	5.4 %
HGT Mercury 2 LP	120,301	(20,659)	99,642	4.0 %
HGT Mercury 3 LP	111,524	(7,508)	104,016	4.2 %
HGT Genesis 10 LP	101,797	–	101,797	4.1 %
HGT Mercury 4 LP	52,037	–	52,037	2.1 %
HGT 7 LP	24,612	(4,932)	19,680	0.8 %
Total primary funds	2,673,820	(200,237)	2,473,583	100.1%
Other ²	(12,152)	–	(12,152)	(0.1)%
Total investments and carry provision	2,661,668	(200,237)	2,461,431	100.0%

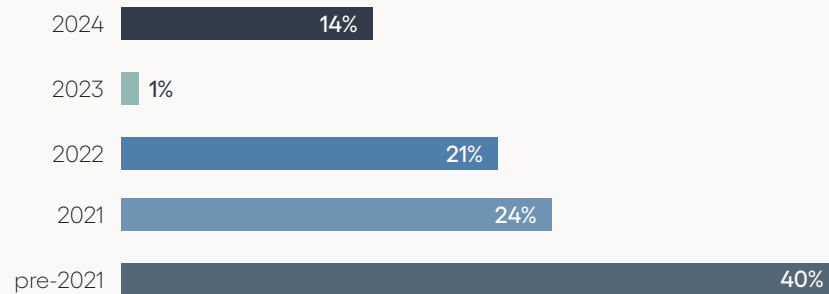
¹ Includes accrued income of £108,073,000 but before the deduction of the fund level facilities of £348,702,000.

² Includes HgT currency hedges.

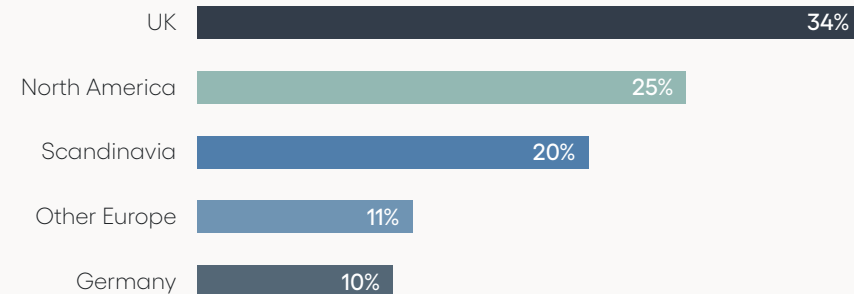
Hg 'cluster' by value



Investment vintage by value



Geographic spread by value



Investments

Over the period, Hg invested £5.8 billion on behalf of its clients, with HgT's share being £310 million.

HgT provides shareholders with a unique listed access point to the investment portfolio of Hg. The vast majority of these investments are generated by establishing and developing relationships with companies over many years and the continual refinement and focus on a clear investment model, targeting software and services leaders that transform how people work.

In addition to new investments, M&A within the underlying portfolio remains an important part of accelerating growth and generating future value.

Further investments were announced in Q2 2024 and post-period and are due to close over the course of 2024. On completion, these transactions are estimated to represent over £183 million of further investment for HgT.

Investments made during the period

Company	Cluster	Location	Cost £000
Visma	Tax & Accounting / ERP & Payroll	Scandinavia	126,259
IRIS	Tax & Accounting / ERP & Payroll	UK	75,381
GGW	Insurance	Germany	40,062
CINC	Tax & Accounting	North America	19,235
CUBE	Legal & Regulatory Compliance	UK	10,031
Induver	Insurance	Other Europe	6,571
New investments			277,539
Azets	Tax & Accounting	UK	20,000
Access	ERP & Payroll	UK	19,326
Other ¹			(7,082)
Follow-on investments			32,244
Total investments on behalf of HgT			309,783

¹ Other investments includes immaterial transactions in relation to the remaining portfolio.

Note: New investments included in the above table may refer to transactions where HgT was previously invested, has seen a return of proceeds from a realisation of an Hg fund stake, and has now re-invested through other Hg Funds.

New Investments made over the six months to 30 June 2024



£126.3m invested on behalf of Hg including £8.5m in co-investment

In May 2024, Hg completed a further investment in Visma, a leading provider of mission critical cloud software in Europe and Latin America.

Visma will welcome around 20 new investors to the shareholder register, worth over €1 billion of equity investment. In addition, the transaction will result in c.€3 billion new investment from existing shareholders including majority investor, Hg, through the Hg Saturn Funds.



£75.4m invested on behalf of HgT including £7.8m in co-investment

In April 2024, Hg completed a further investment in IRIS Software Group ('IRIS'), a leading global provider of mission-critical software and services in accountancy, payroll, HR and education.

This transaction followed the partial sale of the business, valuing HgT's investment in IRIS at £97.6 million.

HgT has re-invested a portion of its proceeds in the business alongside other institutional clients of Hg investing through the Hg Saturn 3 Fund.



GGW GROUP

£40.1m invested on behalf of HgT

In April 2024, Hg completed an investment in the next phase of growth for GGW Group ('GGW'), one of the leading European insurance brokerage platforms for small and medium-sized enterprises ('Mittelstand').

This investment followed an option for Hg funds to reinvest in GGW which Hg decided to exercise.

Following completion of this transaction, Hg will own a co-controlling stake in the business alongside Permira, investing through the Hg Saturn 3 Fund.

New Investments made over the six months to 30 June 2024 (continued)



£19.2m invested on behalf of HgT including £6.3m in co-investment

In January 2024, Hg completed an investment in CINC Systems, a leading cloud-based software company serving the community association management sector. HgT will invest alongside other institutional clients of Hg through the Hg Mercury 4 Fund.



£10.0m invested on behalf of HgT

In April 2024, Hg completed an investment in CUBE, a global leader in Automated Regulatory Intelligence and Regulatory Change Management technology. HgT will invest in CUBE, alongside other institutional clients of Hg through the Hg Mercury 4 Fund.



£6.6m invested on behalf of HgT

In March 2024, Hg completed an investment in Induver and Clover, two leading independent corporate insurance brokers in Belgium, who will join forces. HgT will invest in Induver Group, alongside other institutional clients of Hg through the Hg Mercury 4 Fund.

Follow-on investments made over the six months to 30 June 2024



£20.0m co-investment invested on behalf of HgT

In May 2024, Hg completed a further investment in Azets Group, a leading provider of business-critical accounting, tax, payroll, audit and advisory services to SMEs.



£19.3m invested on behalf of HgT

In May 2024, Hg completed a further investment in Access, an Enterprise Resource Planning business, providing a range of horizontal and industry-specific software solutions to SME and mid-market customers in Australia, Ireland and the UK.

New investments since 30 June 2024



£114.6m invested on behalf of HgT including £27.4m in co-investment

In July 2024, Hg completed an investment in AuditBoard, a leading connected risk platform transforming audit, risk, compliance and ESG management. HgT invested in AuditBoard Group, alongside other institutional clients of Hg through the Hg Saturn 3 Fund.



£12.0m invested on behalf of HgT

In August 2024, Hg completed an investment in CTAIMA and e-coordina, who join forces to create leading Iberian contractor management, risk and compliance software platform. HgT invested in CTAIMA and e-coordina alongside other institutional clients of Hg through the Hg Mercury 4 Fund.



£25.6m invested on behalf of HgT

In July 2024, Hg completed an investment in Focus Group, one of the UK's leading providers of essential business technology to SMEs. HgT invested in Focus Group alongside other institutional clients of Hg through the Hg Genesis 10 Fund.



c.£30.7m invested on behalf of HgT

In September 2024, Hg completed an investment in Ncontracts, provider of governance, risk, and compliance platform to financial institutions. HgT invested in Ncontracts alongside other institutional clients of Hg through the Hg Genesis 10 Fund.

Realisations

Over the course of the period, Hg has returned over **£4.3 billion** to its clients, including **£308 million** to HgT, with full and partial realisations at an average uplift to latest carrying value of **16%**.

The continued realisation activity in 2024 continues to highlight the fundamental strength of the underlying portfolio.

Hg has achieved more than 40 liquidity events since the start of 2022. This sets Hg apart in a period when the industry has struggled to generate portfolio liquidity. Hg has announced or completed a further three full or partial realisations post-period representing c.£75 million returned to HgT on completion.

This realisation activity over the past two years was a clear differentiator for HgT, highlighting the fundamental strengths and attractiveness of the underlying portfolio to both trade and financial buyers.

Realisations made during the period

Company	Cluster	Exit route	Proceeds ¹ £000
IRIS	Tax & Accounting / ERP & Payroll	Secondary sale	97,613
GGW	Insurance	Secondary sale	91,772
Argus	Fintech	Secondary sale	51,197
Full realisations			240,582
Visma	Tax & Accounting / ERP & Payroll	Partial sale	49,295
Azets	Tax & Accounting	Partial sale	15,766
MeinAuto	Automation & Engineering	Partial sale	14,275
TeamSystem	Tax & Accounting / ERP & Payroll	Partial sale	10,038
Other ²			18,067
Partial realisations			107,441
Total realisations			348,023
Carried interest charge to the Manager			(40,378)
Net realisations to HgT			307,645

¹ Includes gross revenue received of £42.7 million during the period ended 30 June 2024.

² Other realisations includes immaterial transactions in relation to the remaining portfolio.

Note: Full exits included in the above table may refer to transactions where an Hg fund investment has been realised, however, in some cases, HgT has retained a stake in the business through re-investment through other Hg Funds.

Full realisations in the six months to 30 June 2024

IRIS

£97.6m returned to HgT

In April 2024, Hg completed the partial sale of IRIS Software Group ('IRIS'), a leading global provider of mission-critical software and services in accountancy, payroll, HR and education, to LGP, a Los Angeles-based private equity firm.

HgT has re-invested a portion of its proceeds in the business alongside other institutional clients of Hg investing through Hg Saturn 3.



GGW GROUP

£91.8m returned to HgT

In April 2024, Hg completed the realisation of GGW Group ('GGW'), one of the leading European insurance brokerage platforms for small and medium-sized enterprises ('Mittelstand'), with Permira investing in the business.

Following this realisation, Hg funds retained an option to reinvest in GGW which Hg decided to exercise.

Following completion of this transaction, Hg will own a co-controlling stake in the business alongside Permira, investing through the Hg Saturn 3 Fund.



£51.2m returned to HgT

In February 2024, Hg completed the full realisation of its shareholding in Argus Media, the leading independent provider of intelligence to the global energy and commodity markets to General Atlantic, a leading global growth investor, and Argus management.

Partial realisations in the six months to 30 June 2024

VISMA

£49.3m returned to HgT

In May 2024, Hg completed the partial sale of Visma, a leading provider of mission critical cloud software in Europe and Latin America.

AZETS

£15.8m returned to HgT

In May 2024, Hg completed the partial sale of Azets, a leading provider of business-critical accounting, tax, payroll, audit and advisory services to SMEs.

Athletic Sport Sponsoring

— ICH BIN DEIN AUTO

£14.3m returned to HgT

In January 2024, Hg completed the sale of 'MeinAuto' and 'Mobility Concept' divisions to Mobilize Lease & Co, a subsidiary of Mobilize Financial Services, part of the Renault Group.

Following the sale Hg remains invested in Athletic Sport Sponsoring, a leading flat-rate car subscription provider in Germany.

TeamSystem®

£10.0m returned to HgT

In July 2024, Hg completed the partial sale of TeamSystem, a leading provider of business software solutions to businesses and accountants in Italy, Spain and Turkey.

Full realisations post 30 June 2024

F24

c.£18.4m returned to HgT

In July 2024, Hg announced that it had agreed the sale of F24, a leading European software-as-a-service (SaaS) provider for Business Resilience solutions, having secured a strategic investment from Altor, a leading private equity firm focused on investing in and developing medium-sized companies.

TeamSystem®

c.£24.3m returned to HgT

In July 2024, Hg announced that it had agreed the sale of its remaining investment in TeamSystem, to funds advised by Hellman & Friedman LLC. TeamSystem is a leading provider of business software solutions to businesses and accountants in Italy, Spain and Turkey.

Partial realisations post 30 June 2024

team.blue

c.£32.6m returned to HgT

In July 2024, Hg announced that it had agreed the partial sale of team.blue, Europe's leading digital enabler for entrepreneurs and SMBs, with a significant investment from Canada Pension Plan Investment Board.

Overview of the underlying investments

held through HgT's limited partnerships

Investments (in order of value)	Fund	Sector	Location	Year ¹	Residual cost £000	Total valuation ² £000	Portfolio value %	Cum. Value %	
1	Visma	S1/S2/S3/HGT	Tax & Accounting/ERP & Payroll	Scandinavia	2024	205,767	334,709	12.7	12.7
2	Access	S3/G8/HGT	ERP & Payroll	UK	2020	160,266	308,995	11.7	24.4
3	IFS	S3/HGT	ERP & Payroll	Scandinavia	2022	115,939	141,361	5.3	29.7
4	Howden	S2/HGT	Insurance	UK	2021	60,909	138,158	5.2	34.9
5	Litera	G8/G9	Legal & Regulatory Compliance	N. America	2019	28,919	133,178	5.0	39.9
6	Septeo	G9	Legal & Regulatory Compliance	France	2020	53,671	120,527	4.5	44.4
7	Ideagen	G10/G9/M3	Legal & Regulatory Compliance	UK	2022	66,448	94,433	3.5	47.9
8	team.blue	G10/G8	Tech Services	Benelux	2022	38,078	92,889	3.5	51.4
9	P&I	S1/HGT	ERP & Payroll	Germany	2020	41,307	88,942	3.3	54.7
10	IRIS	S3/HGT	Tax & Accounting/ERP & Payroll	UK	2024	75,381	83,163	3.1	57.8
11	insightsoftware	S2/HGT	Tax & Accounting	N. America	2021	53,056	82,056	3.1	60.9
12	FE fundinfo	M2/G9	Fintech	UK	2021	26,229	73,909	2.8	63.7
13	Sovos	S2/HGT	Tax & Accounting	N. America	2020	49,593	72,397	2.7	66.4
14	Trackunit	G9	Automation & Engineering	Scandinavia	2021	26,593	51,469	1.9	68.3
15	Caseware	G8	Tax & Accounting	N. America	2020	21,255	46,612	1.8	70.1
16	Benevity	S2/HGT	ERP & Payroll	N. America	2021	32,124	44,091	1.7	71.8
17	GGW	S3	Insurance	Germany	2024	43,767	43,694	1.6	73.4
18	Rhapsody	M2/M3/HGT	Healthcare IT	N. America	2022	20,814	43,531	1.6	75.0
19	Citation	G8	Tech Services	UK	2020	18,890	42,690	1.6	76.6
20	Azets	G7/HGT	Tax & Accounting	UK	2016	26,505	40,187	1.5	78.1
21	Waystone	S2	Legal & Regulatory Compliance	UK	2022	40,904	40,058	1.5	79.6
22	Norstell	G9/M2	Healthcare IT	N. America	2021	24,730	39,431	1.5	81.1
23	Gen II	G9	Fintech	N. America	2020	19,921	38,515	1.4	82.5
24	HHA	G9	Healthcare IT	N. America	2021	24,035	33,160	1.2	83.7
25	smartTrade	M2/HGT	Fintech	France	2020	18,862	30,980	1.2	84.9
26	Project CH	S2	Tax & Accounting	Germany	2021	18,337	30,407	1.1	86.0
27	Prophix	G9	Tax & Accounting	N. America	2021	12,458	29,573	1.1	87.1
28	DEXT	S1/HGT	Tax & Accounting	UK	2021	15,620	28,278	1.1	88.2
29	Lucanet	G9	Tax & Accounting	Germany	2022	15,649	27,817	1.0	89.2

Investments (in order of value)	Fund	Sector	Location	Year ¹	Residual cost £000	Total valuation ² £000	Portfolio value %	Cum. Value %	
30	TeamSystem	G8	Tax & Accounting/ERP & Payroll	Italy	2021	7,447	23,065	0.9	90.1
31	Intelerad	G8	Healthcare IT	N. America	2020	11,870	20,909	0.8	90.9
32	CINC	M4/HGT	Tax & Accounting	N. America	2024	19,235	20,495	0.8	91.7
33	Athletic Sport Sponsoring	G8	Automation & Engineering	Germany	2017	15,343	18,732	0.7	92.4
34	F24	M2/HGT	Tech Services	Germany	2020	11,291	17,814	0.7	93.1
35	Pirum	M3/HGT	Fintech	UK	2022	13,928	17,654	0.7	93.8
36	Geomatikk	M2/HGT	Tech Services	Scandinavia	2021	11,392	17,602	0.7	94.5
37	GTreasury	M4/HGT	Tax & Accounting	N. America	2023	15,008	16,922	0.6	95.1
38	Auvesy	M3	Automation & Engineering	Germany	2021	8,130	16,526	0.6	95.7
39	Nitrogen	M3/HGT	Fintech	N. America	2021	15,868	13,941	0.5	96.2
40	Fonds Finanz	M3	Insurance	Germany	2022	8,309	13,843	0.5	96.7
41	Mitratche	G7/HGT	Legal & Regulatory Compliance	N. America	2017	3,328	13,685	0.5	97.2
42	Bright	M3	ERP & Payroll	Ireland	2021	6,529	11,696	0.4	97.6
43	Quantios	M3	Fintech	UK	2022	8,970	10,929	0.4	98.0
44	Revalize	G9	ERP & Payroll	N. America	2021	18,839	10,916	0.4	98.4
45	Serrala	G9	Tax & Accounting	Germany	2021	23,086	10,771	0.4	98.8
46	CUBE	M4	Legal & Regulatory Compliance	UK	2024	10,031	10,312	0.4	99.2
47	Blinqx	M3	ERP & Payroll	Benelux	2022	6,729	9,623	0.4	99.6
48	Nomadia	M3	ERP & Payroll	France	2023	6,935	8,426	0.3	99.9
49	JTL	M4	ERP & Payroll	Germany	2023	7,559	8,254	0.3	100.2
50	Induver	M4	Insurance	Benelux	2024	6,571	6,924	0.3	100.5
Total buyout investments (50)						1,592,425	2,674,249	100.5	100.5
Other		Hedges				8,982	(12,581)	(0.5)	(0.5)
Total all investments						1,601,407	2,661,668	100.0	100.0

¹ Where re-investment has occurred the investment date is based on the closing of the largest tranche of the investment holding.

² Including accrued income of £108.1 million, but before a deduction for the provision for carried interest of £200.2 million and fund level facilities of £348.7 million.

Note that the investments held at fair within the Balance Sheet on page 50 exclude accrued income but include the deduction for carried interest and the fund level facilities.

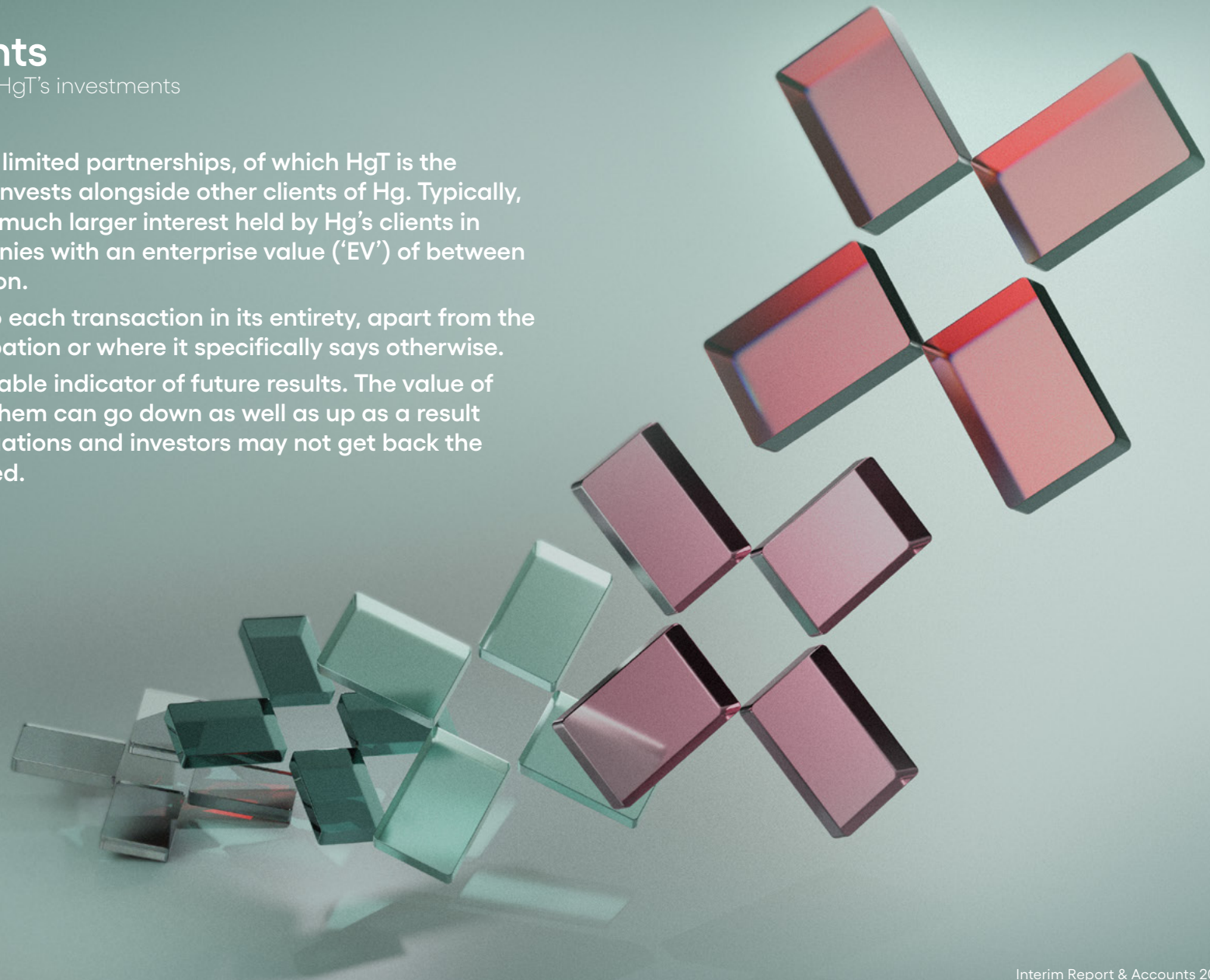
Top 20 investments

representing 78% of the value of HgT's investments

Investments are held through limited partnerships, of which HgT is the majority limited partner. HgT invests alongside other clients of Hg. Typically, HgT's holding forms part of a much larger interest held by Hg's clients in buyout investments in companies with an enterprise value ('EV') of between £100 million and over £10 billion.

Hg's review generally refers to each transaction in its entirety, apart from the tables detailing HgT's participation or where it specifically says otherwise.

Past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested.





01 VISMA

a provider of mission-critical business software to SMEs and the public sector in Europe

Investment date	May 2024
Website	visma.com
Hg clients' total equity:	70.0%
% of NAV:	13.9%

Business description

Visma provides mission-critical business software to SMEs and the public sector in Europe. The company services approximately c.1.9 million paying customers with SaaS solutions covering: accounting; resource planning, payroll, procurement, and transaction processing.

Performance

Since 2006, Visma has acquired numerous companies, strengthening organic growth from innovation in new products, and margin improvement, positioning it now as one of the leading and largest SaaS companies in Europe. In May 2024, Hg completed a further investment in Visma, recognising its continued success over the 18 years that Hg has partnered with the business. The value of HgT's investment in the business increased by £35.2 million over the period.



02 access

a provider of mission-critical, integrated business-management software to SME's in the UK and APAC

Investment date	June 2018
Website	theaccessgroup.com
Hg clients' total equity:	41.3%
% of NAV:	12.8%

Business description

Founded in 1991, the Access Group ('Access') is an Enterprise Resource Planning business, providing a range of horizontal and industry-specific software solutions to SME and mid-market customers in Australia, Ireland and the UK. With a portfolio spanning Finance, HR, Payroll, Recruiting, Hospitality, Health & Social Care, Legal, Not for Profit, and Education sectors. Access' software helps over 100,000 businesses and not-for-profit organisations to work efficiently.

Performance

Access has traded well since our initial Investment in 2018. In recent years the company has scaled significantly in footprint and complexity seeing revenue and EBITDA growth of more than 50% since Hg Saturn 3 initially invested, with the customer base almost doubling over this time.



03 IFS

a software vendor for asset-centric organisations who want to differentiate on service

Investment date	July 2022
Website	ifs.com
Hg clients' total equity:	29.0%
% of NAV:	5.8%

Business description

IFS is a global leader providing modular software for ERP, EAM, FSM and ESM with primary focus on all kinds of asset-heavy industries and a track-record of expanding its portfolio via M&A to cover a broader spectrum of adjacencies. WorkWave is a leading provider of vertical software within field service management, primarily in North America.

The Company's suite of products empower businesses to reach their full potential in their 'moments of service' through scalable, cloud-based software solutions that support every stage of a business life cycle, including marketing, sales, service delivery, customer interaction and financial transactions.

Performance

IFS continues to increase recurring revenues through its focus on transitioning from perpetual to multi-year term licences, with double-digit organic revenue growth. Workwave also reported solid organic growth over the period. This has led to an increase in HgT's stake in the company of £15.7 million over the period.



04 HOWDEN

a tech-enabled international insurance distribution group

Investment date	March 2021
Website	howdengroup.com
Hg clients' total equity:	23.6%
% of NAV:	5.7%

Business description

Founded in 1994 and headquartered in London, Howden Group Holdings ('Howden') is the world's largest insurance intermediary outside of North America, managing c.\$40 billion of gross written premiums today. Howden operates at a global scale, with c.19,000 employees and a local presence in c.55 countries, with an international client base. Howden is highly diversified, operating across the full insurance distribution value chain, including retail and specialty insurance brokerage, reinsurance brokerage and services, and capital-light managed agency underwriting.

Performance

Howden continues to achieve organic growth outperformance, and remains an active acquirer, having completed over 50 acquisitions over the past year, including TigerRisk, a large and fast-growing US-based reinsurance broker. Combined with strong trading performance, this has led to an increase in the valuation of HgT's stake by £13.3 million over the first half of 2024.



05 LITERA

a scaled legal-tech platform helping lawyers focus on what matters

Investment date	May 2019
Website	litera.com
Hg clients' total equity:	92.2%
% of NAV:	5.5%

Business description

Litera is a provider of legal workflow and workspace technology worldwide. Litera's software empowers users across the legal industry to generate, review and distribute high-quality content quickly and securely, from any device. Today, Litera supports thousands of document-intensive organisations across the globe, helping them to satisfy the complex demands of clients and regulators, using innovative technologies such as AI and machine learning, to support them.

Performance

Litera continues to perform well, reporting strong organic growth in earnings and acquiring FileTrail in 2024, while maintaining an active pipeline of potential acquisitions. The valuation of HgT's investment in Litera increased by £22.4 million over the first six months of 2024.



06 septeo

a provider of mission-critical software serving regulatory driven professions across Europe

Investment date	December 2020
Website	septeo.fr
Hg clients' total equity:	69.5%
% of NAV:	5.0%

Business description

By facilitating the work of 200,000 legal, real estate, hospitality and business professionals with modern software solutions, Septeo sits at the heart of millions of citizens across France, Spain and Belgium, supporting them in the most important moments of their lives (housing, marriage, divorce, setting up a business, career development, holidays etc). Founded in 2013, The Septeo Group now has over 26,000 clients, served by over 3,000 employees.

Performance

Septeo continues to trade well, with EBITDA ahead of budget due to a combination of top-line growth and margin improvement driven by an increasing share of recurring revenues and increased operational efficiency. The value of HgT's investment increased by £15.3 million over the period.



07 Ideagen

a provider of compliance software solutions to organisations operating within highly regulated industries

Investment date	July 2022
Website	ideagen.com
Hg clients' total equity:	84.4%
% of NAV:	3.9%

Business description

Founded in 1993 and headquartered in Nottingham, UK, Ideagen's software helps companies comply with regulation, manage risk and keep people safe. It is a leader in the over \$30 billion regulatory and compliance software sector, serving highly regulated industries such as life sciences, healthcare, banking and finance and insurance. Ideagen has a global footprint with hubs across UK, US, Middle East, Australia and Southeast Asia, and its wide portfolio of solutions are used by over 13,000 customers globally.

Performance

Ideagen continues to perform well with robust trading over the last year. In June 2024, the carrying value of HgT's investment had increased by £2.7 million from the end of 2023.



08 team.blue

a leading provider of technology services to European SMEs, enabling online Presence and Success

Investment date	March 2019
Website	team.blue
Hg clients' total equity:	45.0%
% of NAV:	3.8%

Business description

team.blue provides digital presence solutions (domains, websites, and hosting services) as well as SaaS-based success products such as website builder, compliance, engagement and e-commerce, to enable online success for over 3.3 million SMB customers across Europe. team.blue has segment leading positions in 16 out of 22 countries where they are present.

Performance

In 2022, Hg announced a further investment in team.blue to fund expansion in its product offering of online solutions, as well as increase its local presence across more countries in Europe via M&A. This was followed in July 2024 by the announcement of a partial sale of the business to the Canada Pension Plan Investment Board and Sofina, and subsequent re-investment by Hg G10.

Reflecting the impact of both continued organic growth and value-accretive M&A, the value of HgT's investment in team.blue increased by £22.0 million over the first half of 2024.



09 P&I PURE HR

a provider of integrated software for HR management to the German and European Mittelstand

Investment date	March 2020
Website	pi-ag.com
Hg clients' total equity:	67.9%
% of NAV:	3.7%

Business description

Founded in 1968, P&I is a provider of integrated software solutions for human resources management to the German and European Mittelstand. The business delivers payroll, core HR, human capital management, time and attendance as well as analytics to 15,000 customers across DACH and 10 further European countries via an integrated and highly automated private cloud-based platform.

Performance

P&I continued to develop positively during 2024, driven by its ongoing transition to a SaaS model and an acceleration of new customer wins on the back of further product innovations. As a result, HgT's valuation of its investment in P&I increased by £16.9 million over the first half of the year.



10 IRIS

a leading transatlantic provider of business-critical cloud software solutions for accountants

Investment date	April 2024
Website	iris.co.uk
Hg clients' total equity:	42.6%
% of NAV:	3.4%

Business description

IRIS serves over 100,000 customers and three million users in the Accountancy, Education, HR and SME payroll segments, delivering a suite of established and trusted software solutions which provide business-critical systems with frequent regulatory and compliance driven updates. IRIS enables accountants to deliver both regulatory compliance services and value-added 'Client Accounting Services' to improve SME's planning and performance.

Performance

IRIS consistently delivers strong, organic revenue growth and continued margin expansion driven by efficiency initiatives and M&A. Over the first half of 2024, Hg completed the realisation of Hg Saturn 1's investment in IRIS to LGP returning a net distribution of approximately £22.2 million to HgT following the re-investment of a portion of its proceeds in the business through Hg Saturn 3. Over the first six months this growth led to an increase in HgT's position in IRIS of £6.8 million.



11 insightsoftware

a provider of connected solutions for the Office of the CFO

Investment date	September 2021
Website	insightsoftware.com
Hg clients' total equity:	44.0%
% of NAV:	3.4%

Business description

insightsoftware is a global provider of comprehensive solutions for the Office of the CFO. Insightsoftware's platform is built around a unique data layer that connects more than 200 data sources, enabling seamless connectivity and efficiency across finance, accounting, and operations applications.

Performance

insightsoftware completed three acquisitions in the first half of 2024, adding close to £20 million of EBITDA at accretive multiples and continuing to build out the platform of offerings for the Office of the CFO. This positive performance over the period has led to an increase of £7.6 million in the value of HgT's position in the business.



12 FE fundinfo

a facilitator of more efficient investing, through trusted, insightful information

Investment date	November 2018
Website	fefundinfo.com
Hg clients' total equity:	69.5%
% of NAV:	3.1%

Business description

FE fundinfo is a provider of data, analytics software and infrastructure for the global funds industry, facilitating the distribution of retail funds and investment decision-making by banks, asset and wealth managers. The business connects fund managers and fund distributors and enables them to share and act on trusted, insightful data.

Performance

Initially formed via three Hg-led acquisitions (the merger of FE, fundinfo and F2C), the business has executed on further nine M&A deals since 2020, most notably a strategic acquisition of Fundsquare in 2022.



13 sovos

a global provider of tax compliance solutions

Investment date	September 2020
Website	sovos.com
Hg clients' total equity:	55.7%
% of NAV:	3.0%

Business description

Sovos is a global provider of tax compliance software solutions that helps customers manage an increasingly complex end-to-end tax determination and regulatory reporting process. Its solutions manage all aspects of the tax compliance process from tax calculation, forms completion, ultra-high volume filing, to secure funds transfer to state and local revenue departments.

Performance

Sovos has seen consistent revenue growth since our initial investment. Hg has continued to invest in the business to drive organic returns, and to integrate recent acquisitions which have led to some anticipated temporary compression of EBITDA margins. The company continues to perform well and has seen an uplift of £13.7 million in the value of HgT's stake over the first six months of 2024.



14 Trackunit

a provider of SaaS-based Internet of Things ('IoT') solutions to the global construction industry

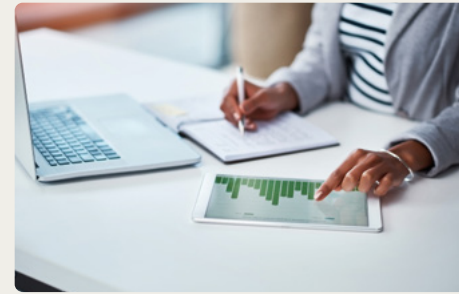
Investment date	June 2021
Website	trackunit.com
Hg clients' total equity:	70.4%
% of NAV:	2.1%

Business description

Founded in 1998, and headquartered in Denmark, with offices in the US, Canada, Northern Europe, and Australasia, Trackunit's business' solutions allow users to collect and analyse machine data in real-time to deliver actionable, proactive and predictive information, empowering customers with data-driven foresight. From operator safety and machine health to business optimisation, Trackunit's industry-leading products and services benefit the everyday operations of construction customers worldwide. In November 2021, Trackunit completed the merger with the Industrial IoT division of ZTR, a leading off-highway IoT provider in North America.

Performance

Trackunit has been working alongside the portfolio team on a number of value creation projects and has continued performing well. During the first half of 2024, the value of HgT's investment increased by £4.9 million.



15 caseware

a developer of cutting-edge audit software solutions for accounting firms, corporations and governments

Investment date	December 2020
Website	caseware.co.uk
Hg clients' total equity:	63.0%
% of NAV:	1.9%

Business description

Founded in 1988, and based in Toronto, Caseware is a global provider of innovative compliance workflow and data analytics software solutions for Certified Public Accountants and in-house auditors worldwide. Caseware's primary product is Working Papers which assists in compliance and non-compliance workflows such as audits, statutory accounts, tax and financial statement production, and IDEA, an internal and external financial audit analytics software primarily used by a global client base including corporates and Governments.

Performance

CaseWare's partnership with Hg has continued to perform well, with robust organic trading, high customer retention and M&A over the period. This has led to an increase in HgT's position in the company of £11.9 million.



16 benevity

a provider of enterprise social impact SaaS solutions

Investment date	January 2021
Website	benevity.com
Hg clients' total equity:	67.9%
% of NAV:	1.8%

Business description

Founded in 2008 and headquartered in Canada, Benevity provides enterprise social impact SaaS solutions to a global client base of c.1,000 customers. This enables clients to strategise, manage, execute and report on all of their social impact investments, improving reputation/brand equity, and attracting, motivating and retaining talent leading to increased operational efficiency. Benevity's leading products have numerous bluechip clients, a strong representation in the Fortune 500 and more vetted charities than peers. Altogether, the business connects c.14 million employees with more than 2.2 million charities worldwide driving annual donation volumes of over CAD\$3.2 billion.

Performance

Following softer performance in 2023, stronger performance over H1 2024 has led to the value of HgT's stake in Benevity increasing by £4.9 million.



17 GGW GROUP

a European P&C insurance broker and MGA group serving SME customers

Investment date	April 2024
Website	ggw.de
Hg clients' total equity:	44.3%
% of NAV:	1.8%

Business description

GGW Group ('GGW'), is a leading European P&C insurance broker and MGA group serving SME customers, is focused on the DACH region with an increasing presence across continental Europe. Founded in 2020 GGW brings together the very best insurance brokers and MGAs – with differentiated culture and entrepreneurial spirit. Fusing long heritage, best-in-class capabilities and deep specialism, the group has built a scaled insurance distribution platform.

To date, >70 platform add-ons have been acquired and GGW has become a leading independent insurance distribution platform. The group has developed from zero to >€100 million adj. EBITDA since Hg invested and expanded from Germany to DACH and into the wider European footprint.

Performance

GGW's performance over the past four years has continuously exceeded expectations. Over the period, the value of HgT's investment increased by £3.2 million.



18 RHAPSODY

a global leader in healthcare interoperability and data liquidity solutions

Investment date	October 2018
Website	rhapsody.health
Hg clients' total equity:	80.8%
% of NAV:	1.8%

Business description

Headquartered in Boston, USA, Rhapsody is a global leader in healthcare interoperability and data liquidity solutions. Their software serves public and private hospitals, health systems, Health Information Exchanges, medical device manufacturers, healthcare technology vendors, healthcare insurance companies, public health departments and governmental organisations. Rhapsody is truly global, serving c.1,700 customers in over 30 countries.

Performance

Over the last three years, Rhapsody has completed three tuck-in acquisitions to expand its interoperability suite across a portfolio of Integration, Identity and Semantic products, and continues to build out a unique and strategically important global champion in healthcare software. Rhapsody continues to perform, resulting in an increase of £4.7 million in the valuation of HgT's stake during the first half of the year.



19 The Citation Group

a provider of long-term, subscription-based compliance and quality services to SMEs across the world

Investment date	December 2020
Website	citation.co.uk
Hg clients' total equity:	40.6%
% of NAV:	1.8%

Business description

The Citation Group ('Citation') provides tech-enabled compliance and quality-related subscription services to over 120,000 SMEs across the UK, Australia and Canada, helping to comply with relevant regulations and to ensure that quality and standards are met, in areas such as HR/employment law, health and safety and ISO and industry-specific rules and standards. Following the sale of some of the stake to KKR, a leading global investment firm, and a further reinvestment from Hg, the business is now led via co-control ownership by both Hg and KKR.

Performance

Citation continues to grow organically at double-digit rates, with increasing net revenue retention and sector-leading customer acquisition metrics, this performance in 2023 has led to an increase of £3.5 million in HgT's valuation of its stake in the business.



20 AZETS

an international accounting, tax, audit, advisory and business services group

Investment date	October 2016
Website	azets.com
Hg clients' total equity:	29.5%
% of NAV:	1.7%

Business description

Azets is the only modern, integrated, scaled provider of business-critical accounting, tax, payroll, audit and advisory services to SMEs, with considerable opportunity to become a clear leader across Northern Europe in a large and resilient sector with strong regulatory and technology growth. Azets is one of the top 10 national accountancy firms, as defined by Accountancy Age. In total, the Group now has c.75,000 customers with c.8,000 employees operating from offices in the UK, Norway, Sweden, Denmark, Finland and Ireland.

Performance

Azets has increased revenue from £280 million to over £700 million throughout Hg's ownership period through organic and inorganic growth and completed >85 acquisitions, which have expanded its footprint across geographies, service lines and vertical segment expertise. Following the integration of these businesses, the company is trading well, with EBITDA growth outpacing revenues, and contributing to an increase of £2.4 million in the value of HgT's investment during the first half of 2024.

HgT's investment portfolio by cluster

Tax & Accounting >20 years

ERP & Payroll >20 years

Legal & Regulatory Compliance >17 years

Automation & Engineering >15 years

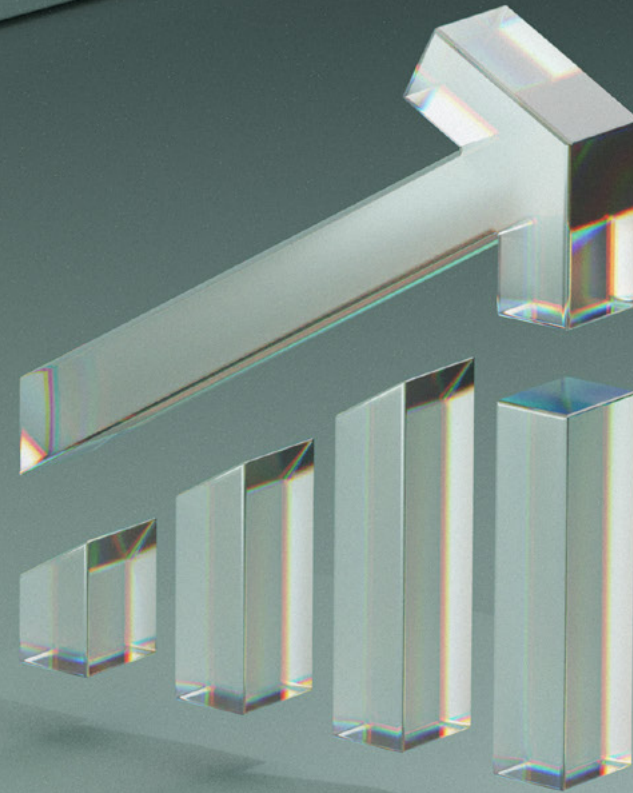
Tech Services >14 years

Fintech >11 years

Insurance >10 years

Healthcare IT >10 years

Condensed financial statements



Income statement

for the six months ended 30 June 2024

	Notes	Revenue return			Capital return			Total return		
		Six months ended		Year ended	Six months ended		Year ended	Six months ended		Year ended
		30.6.24	30.6.23	31.12.23	30.6.24	30.6.23	31.12.23	30.6.24	30.6.23	31.12.23
		£000	£000	£000	£000	£000	£000	£000	£000	£000
		(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)
Gains on investments and liquidity funds		–	–	–	145,189	88,271	210,336	145,189	88,271	210,336
Losses on priority profit share calls	7(b)	–	–	–	(7,081)	(2,344)	(8,053)	(7,081)	(2,344)	(8,053)
Net income	6	17,267	21,775	45,624	–	–	–	17,267	21,775	45,624
Other expenses	8(a)	(4,186)	(3,425)	(9,202)	–	–	–	(4,186)	(3,425)	(9,202)
Net return before finance costs and taxation		13,081	18,350	36,422	138,108	85,927	202,283	151,189	104,277	238,705
Finance costs	8(b)	(4,774)	(8,042)	(8,188)	–	–	–	(4,774)	(8,042)	(8,188)
Net return before taxation		8,307	10,308	28,234	138,108	85,927	202,283	146,415	96,235	230,517
Taxation	10	–	–	–	–	–	–	–	–	–
Net return after taxation		8,307	10,308	28,234	138,108	85,927	202,283	146,415	96,235	230,517
Basic and diluted return per ordinary share	11(a)	1.81p	2.25p	6.17p	30.17p	18.77p	44.19p	31.98p	21.02p	50.36p

The total return column of this statement represents HGT's income statement. The supplementary revenue and capital return columns are both prepared under guidance published by the Association of Investment Companies ('AIC'). All recognised gains and losses are disclosed in the revenue and capital columns of the income statement – and, as a consequence, no statement of comprehensive income has been presented.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the period.

The following notes form part of these financial statements.

Balance sheet

as at 30 June 2024

Notes	30.6.24 £000 (unaudited)	30.6.23 £000 (unaudited)	31.12.23 £000 (audited)
Fixed asset investments			
Investments at fair value through profit or loss:			
Unquoted investments	2,004,656	1,675,026	1,783,857
Total fixed asset investments	2,004,656	1,675,026	1,783,857
Current assets – amounts receivable after one year:			
Accrued income on fixed assets	108,073	136,778	130,842
Debtors	–	–	43,955
Current assets – amounts receivable within one year:			
Debtors	117,702	113,129	60,520
Investments at fair value through profit or loss:			
Liquidity funds	91,672	206,922	221,930
Uninvested capital in limited partnerships	28,355	789	1,906
Cash at bank	70,700	39,031	51,603
Total current assets	416,502	496,649	510,756
Creditors – amounts falling due within one year	(4,612)	(6,073)	(3,884)
Net current assets	411,890	490,576	506,872
Creditors – amounts falling due after one year	–	–	–
Net assets	2,416,546	2,165,602	2,290,729
Capital and reserves:			
Called-up share capital	11,443	11,443	11,443
Share premium account	372,224	372,224	372,224
Capital redemption reserve	1,258	1,258	1,258
Capital reserve – unrealised	590,336	565,040	593,019
Capital reserve – realised	1,431,230	1,202,062	1,290,439
Revenue reserve	10,055	13,575	22,346
Total equity shareholders funds	2,416,546	2,165,602	2,290,729
Net asset value per ordinary share	11(b) 527.9p	473.1p	500.5p
Ordinary shares in issue at 30 June / 31 December	457,728,500	457,728,500	457,728,500

The financial statements of HgCapital Trust plc (registered number 01525583) on pages 48 to 60 were approved and authorised for issue by the Board of Directors on 13 September 2024 and signed on its behalf by:

Jim Strang, Chairman
Richard Brooman, Director

The following notes form part of these financial statements.

Statement of cash flows

for the six months ended 30 June 2024

	Notes	Six months ended 30.6.24 £000 (unaudited)	Six months ended 30.6.23 £000 (unaudited) ¹	Year ended 31.12.23 £000 (audited)
Net cash (outflow)/inflow from operating activities	9	(83,278)	95,454	125,620
Investing activities:				
Purchase of liquidity funds		(139,068)	(86,518)	(119,254)
Redemption of liquidity funds		266,815	143,859	168,302
Net cash inflow from investing activities		127,747	57,341	49,048
Financing activities:				
Drawdown of loan facility		–	(137,439)	–
Repayment of loan facility		–	–	(137,439)
Servicing of finance		(4,774)	(8,042)	(8,188)
Equity dividends paid		(20,598)	(20,598)	(29,753)
Net cash outflow from financing activities		(25,372)	(166,079)	(175,380)
Increase/(decrease) in cash and cash equivalents in the period		19,097	(13,284)	(712)
Cash and cash equivalents at 1 January		51,603	52,315	52,315
Cash and cash equivalents at 30 June / 31 December		70,700	39,031	51,603

¹ The prior period 30 June 2023 Statement of cash flows has been restated for presentational purposes. Please see page 53 for details of the changes.

The following notes form part of these financial statements.

Statement of changes in equity

for six months ended 30 June 2024

	Notes	Share capital £000	Non-distributable Share premium account £000	Capital redemption reserve £000	Capital reserve – unrealised £000	Distributable Capital reserve – realised £000	Revenue reserve £000	Total £000
At 1 January 2023		11,443	372,224	1,258	505,463	1,175,712	23,865	2,089,965
Net return after taxation		–	–	–	59,577	26,350	10,308	96,235
Equity dividends paid	4	–	–	–	–	–	(20,598)	(20,598)
At 30 June 2023		11,443	372,224	1,258	565,040	1,202,062	13,575	2,165,602
At 1 July 2023		11,443	372,224	1,258	565,040	1,202,062	13,575	2,165,602
Net return after taxation		–	–	–	27,979	88,377	17,926	134,282
Equity dividends paid	4	–	–	–	–	–	(9,155)	(9,155)
At 31 December 2023		11,443	372,224	1,258	593,019	1,290,439	22,346	2,290,729
At 1 January 2024		11,443	372,224	1,258	593,019	1,290,439	22,346	2,290,729
Net return after taxation		–	–	–	(2,683)	140,791	8,307	146,415
Equity dividends paid	4	–	–	–	–	–	(20,598)	(20,598)
At 30 June 2024		11,443	372,224	1,258	590,336	1,431,230	10,055	2,416,546

The following notes form part of these financial statements.

Notes to the financial statements

1. Principal activity

The principal activity of HgT is investment. HgT is an investment company as defined by section 833 of the Companies Act 2006 and an investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010 ('CTA 2010') and is registered as a company in England and Wales under number 01525583, with its registered office at 2 More London Riverside, London, SE1 2AP.

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, except for the revaluation of financial instruments at fair value as permitted by the Companies Act 2006 and in accordance with applicable UK law and UK Accounting Standards ('UK GAAP'), including Financial Reporting Standard 104 (FRS 104) 'Interim Financial Reporting' and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP'), issued in July 2022.

After making enquiries, the Directors have a reasonable expectation that HGT will have adequate resources to continue in operational existence for the next 12-month period from the date of approval of this report. Accordingly, they continue to adopt the going-concern basis in preparing these financial statements.

Re-presentation of Statement of cash flows

In line with the change made for the annual report and accounts purchases and disposal proceeds in relation to investments have been reclassified in the interim prior period Statement of cash flows from net cash flows from investing activities to net cash flows from operating activities. To ensure consistent presentation, this change has been made to the current and prior year Statement of cash flows and note 9. The Directors are of the opinion that this presentation more closely reflects the principal activity of the company as an investment entity and improves the information provided by the Statement of cash flows, in order to provide a user of the financial statements with a better understanding of HgT's operations. The

same accounting policies, presentation and methods of computation are followed in these financial statements as were applied in HGT's previous annual audited report and accounts.

3. Organisational structure and accounting policies

Limited Partnerships

HgT entered into thirteen separate limited partnership agreements with general and founder partner in May 2003 (subsequently revised in January 2009), January 2009, July 2011, March 2013, December 2016, February 2017, January 2018, February 2020, December 2021, April 2022 and March 2023; at each point, an investment-holding limited partnership was established to carry on the business of an investor, with HgT being the sole limited partner in these entities. On the partial sale of interest in HGT 8 LP and HGT LP, HgT has become the majority limited partner in these entities.

The purpose of these partnerships, HGT LP, HGT 6 LP, HGT 7 LP, HGT 8 LP, HgCapital Mercury D LP, HGT Mercury 2 LP, HGT Saturn LP, HGT Saturn 2 LP, HGT Genesis 9 LP, HGT Mercury 3 LP, HGT Saturn 3 LP, HGT Genesis 10 LP and HGT Mercury 4 LP (together the 'primary buyout funds'), is to hold all of HgT's investments in primary buyouts. Under the partnership agreements, HgT made capital commitments into the primary buyout funds, with the result that HgT now holds direct investments in the primary buyout funds and an indirect investment in the fixed-asset investments which are held by these funds, as it is the majority limited partner. These direct investments are included under fixed-asset investments on the balance sheet and in the table of investments on page 34. The underlying investments which are held indirectly are included in the overview of investments on pages 39 and 40.

HgT does not have control over the operating, financial or governance activities of the limited partnerships in which it is a limited partner. The general partner of these partnerships has the day to day control and ultimate decision making powers over the activities of these partnerships. As a result, these limited partnerships are not consolidated in the financial statements.

Priority profit share and carried interest under the primary buyout limited partnership agreements

Under the terms of the primary buyout fund LPA's, each general partner (see note 7) is entitled to appropriate, as a first charge on the net income of the funds, an amount equivalent to its priority profit share ('PPS'). HgT is entitled to net income from the funds, after payment of the PPS.

In years in which these funds have not yet earned sufficient net income to satisfy the PPS, the entitlement is carried forward to the following years. The PPS is payable quarterly in advance, even if insufficient net income has been earned. Where the cash amount paid exceeds the net income, an interest-free loan is advanced to the general partner by these primary buyout funds, which is funded by a capital call from HgT. Such loans are recoverable from the general partner only by an appropriation of net income until net income is earned. At the HgT level such a call is expensed in the capital column as these amounts are not recoverable (see note 7(b)).

Furthermore, under the primary buyout funds' LPAs, each founder partner (see note 7(c)) is entitled to a carried-interest distribution, once certain preferred returns are met. The LPAs stipulate that the primary buyout funds' capital gains or net income, after payment of the carried interest, are allocated to HgT, when the right to these returns is established.

Accordingly, HgT's entitlement to net income and net capital gains is shown in the appropriate lines of the income statement. Notes 6, 7 and 11 to the financial statements disclose the gross income and gross capital gains of the primary buyout funds and also reflect the proportion of net income and capital gains in the buyout funds which has been paid to the general partner as its PPS and to the founder partner as carried interest, where applicable.

The PPS paid from net income is charged to the revenue account in the income statement, where there is insufficient income PPS is charged as an unrealised depreciation to the capital return on the income statement.

The carried-interest payments made from net income and capital gains are charged to the revenue and capital account respectively on the income statement.

3. Organisational structure and accounting policies (continued)

Investment income and interest receivable

As stated above, all income that is recognised by the primary buyout funds, net of PPS, is allocated to HgT and recognised when the right to this income is established.

The accounting policies below apply to the recognition of income by the primary buyout funds, prior to allocation between the Partners:

Interest income on non-equity shares and fixed income securities is recognised on a time apportionment basis so as to reflect the effective yield when it is probable that it will be realised. Dividends receivable on unlisted equity shares where there is no ex-dividend date and on non-equity shares are brought into account when the right to receive payment is established.

Income from listed equity investments, including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend. Where dividends are received in the form of additional shares rather than cash dividends, the equivalent of the cash dividend is recognised as the income in the revenue account and any excess in the value of the shares received over the amount of the cash dividend is recognised in the capital reserve – realised.

4. Dividends

A final dividend of 4.5p per share was paid on 21 May 2024 in respect of the year ended 31 December 2023 (2023: interim dividend in respect of the year ended 31 December 2023 of 2.0p per share and final dividend of 4.5p per share in respect of the year ended 31 December 2022).

5. Issued share capital

While HGT no longer has an authorised share capital, the Directors will still be limited as to the number of shares they can allot at any time, as the Companies Act 2006 requires that Directors seek authority from shareholders for the allotment of new shares.

	30.6.24		Six months ended 30.6.23		Year ended 31.12.23	
	No. 000	£000	No. 000	£000	No. 000	£000
Ordinary shares of 2.5p each:						
Allotted, called up and fully paid:						
At 1 January	457,729	11,443	457,729	11,443	457,729	11,443
Issues of ordinary shares	–	–	–	–	–	–
Total called-up share capital	457,729	11,443	457,729	11,443	457,729	11,443

6. Income

	Revenue return		
	Six months ended	Year ended	
	30.6.24	30.6.23	31.12.23
	£000	£000	£000
	(unaudited)	(unaudited)	(audited)
Total net income comprises:			
Interest	17,267	21,775	45,624
Total net income	17,267	21,775	45,624

All income which is recognised by the primary buyout funds, net of PPS, is allocated to HGT and recognised when the right to this income is established.

This income and PPS are analysed further in the following table.

	Revenue return		
	Six months ended	Year ended	
	30.6.24	30.6.23	31.12.23
	£000	£000	£000
	(unaudited)	(unaudited)	(audited)
Income from investments held by the primary buyout funds			
Unquoted investment income	20,578	31,406	60,318
Other investment income:			
Liquidity funds income	3,787	966	4,913
Total investment income	24,365	32,372	65,231
Total other income	671	230	792
Total income	25,036	32,602	66,023
Priority profit share charge against income:			
Current period - HGT Genesis 9 LP	(3,477)	(3,431)	(6,834)
Current period - HGT Genesis 10 LP	(1,843)	(1,865)	(4,313)
Current period - HGT 8 LP	(1,268)	(1,314)	(2,672)
Current period - HGT Mercury 3 LP	(678)	(2,327)	(2,913)
Current period - HGT LP	(178)	(368)	(381)
Current period - HGT Saturn 2 LP	(161)	(169)	(343)
Current period - HGT 7 LP	(114)	(113)	(228)
Current period - HGT Mercury 2 LP	(50)	(526)	(1,261)
Current period - HgCapital Mercury D LP	-	(9)	(20)
Current period - HGT Saturn LP	-	(705)	(1,434)
Total priority profit share charge against income (note 7(a))	(7,769)	(10,827)	(20,399)
Total net income	17,267	21,775	45,624

7. Priority profit share and carried interest

(a) Priority profit share payable to general partners	Revenue return		
	Six months ended 30.6.24 £000 (unaudited)	30.6.23 £000 (unaudited)	Year ended 31.12.23 £000 (audited)
Priority profit share payable:			
Current period amount	14,850	13,171	28,452
Less: Current period loans advanced to general partners (note 7(b))	(8,384)	(5,251)	(12,243)
Add: Prior period loans recovered from general partners (note 7(b))	1,303	2,907	4,190
Current period charge against income	7,769	10,827	20,399
Total priority profit share charge against income	7,769	10,827	20,399

The priority profit share payable on the primary buyout funds ranks as a first appropriation of net income from investments held in these partnerships respectively and is deducted before such income is attributed to HGT in its capacity as a Limited Partner. The net income of the primary buyout funds earned during the period, after the deduction of the priority profit share, is shown on the income statement.

The terms of the above priority profit share arrangements during the period were:

Primary buyout fund partnership	Priority profit share
HGT Genesis 10 LP	1.75% on the fund commitment during the investment period
HGT Genesis 9 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT 8 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT 7 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Mercury 4 LP	1.75% on the fund commitment during the investment period
HGT Mercury 3 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Mercury 2 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Saturn 3 LP	1.0% on the fund commitment during the investment period
HGT Saturn 2 LP	0.75% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Saturn LP	1.0% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT LP	1.0% of original cost of investments in the fund, excluding co-investment

7. Priority profit share and carried interest (continued)

	Capital return		
	Six months ended	Year ended	
(b) Priority profit share loans to general partners within the underlying limited partnerships	30.6.24 £000 (unaudited)	30.6.23 £000 (unaudited)	31.12.23 £000 (audited)
Movement on loans to general partners:			
Losses on current-period loans advanced to general partners	(8,384)	(5,251)	(12,243)
Gains on prior-period loans recovered from general partners	1,303	2,907	4,190
Total losses on priority profit share loans advanced to general partners	(7,081)	(2,344)	(8,053)

In years in which the funds have not yet earned sufficient net income to satisfy the priority profit share, the entitlement is carried forward to the following years. The priority profit share is payable quarterly in advance, even if insufficient net income has been earned. Where the cash amount paid exceeds the net income, an interest-free loan is advanced to the general partner by these primary buyout funds, which is funded via a loan from HGT. Such loan is recoverable from the general partner only by an appropriation of net income, until sufficient net income is earned. No value is attributed to this loan and hence an unrealised capital loss is recognised and reversed, if sufficient income is subsequently generated.

	Capital return		
	Six months ended	Year ended	
(c) Carried interest to founder partners	30.6.24 £000 (unaudited)	30.6.23 £000 (unaudited)	31.12.23 £000 (audited)
Carried interest charge against capital gains:			
Current period charge against realised capital gains	40,378	18,691	22,140
Current period (credit) / charge against unrealised capital gains	(11,113)	(12,403)	195
Total carried interest charge against capital gains	29,265	6,288	22,335

The carried interest payable ranks as a first appropriation of capital gains, after preferred return, on the investments held in the primary buyout funds, limited partnerships established solely to hold HGT's investments, and is deducted before such gains are paid to HGT in its capacity as a limited partner. The net amount of capital gains of the primary buyout funds during the period, after the deduction of carried interest, is shown in the income statement.

The details of the carried interest contracts, disclosed in this report on page 62, state that carried interest is payable once a certain level of repayments has been made to HGT. Based on the repayments made during 2024, £40,378,000 (2023: £22,140,000) of carried interest was paid in respect of the current financial period. If the investments in HGT 7 LP, HGT 8 LP, HGT Mercury 2 LP, HGT Saturn LP, HGT Genesis 9 LP, HGT Saturn 2 LP and HGT Mercury 3 LP are realised at the current fair value and then distributed to partners, an amount of £200,237,000 will be payable to the founder partner (2023: £211,350,000 payable to the founder partner); therefore, the Directors have made a provision for this amount. No provision is required in respect of HGT's investment in the other fund-limited partnerships, because they are still in their investment period.

8. Other expenses

	Revenue return		Year ended 31.12.23
	Six months ended 30.6.24	30.6.23	
(a) Operating expenses	£000 (unaudited)	£000 (unaudited)	£000 (audited)
Registrar, management and administration fees	1,159	1,115	2,184
Legal and other administration costs ¹	3,027	2,310	7,018
Total other expenses	4,186	3,425	9,202

¹ Includes employer's National Insurance contributions year-to-date of £23,000 (Full year 2023: £47,000).

	Revenue return		Year ended 31.12.23
	Six months ended 30.6.24	30.6.23	
(b) Finance costs	£000 (unaudited)	£000 (unaudited)	£000 (audited)
Interest paid ²	–	3,742	1,356
Non-utilisation fees and other expenses	3,722	3,573	6,082
Arrangement fees	1,052	727	750
Total finance costs	4,774	8,042	8,188

² Interest paid during the period ended 30 June 2023 was reclassified as at 31 December 2023.

9. Cash flow from operating activities

	30.6.24 £000	30.6.23 ¹ £000	31.12.23 £000
Reconciliation of net return before finance costs and taxation to net cash flow from operating activities			
Net return before finance costs and taxation	151,189	104,277	238,705
Gains on investments held at fair value and liquidity funds	(134,280)	(99,392)	(210,531)
(Decrease)/Increase in carried interest provision	(11,113)	(12,403)	195
Net (gains)/losses	(145,393)	(111,795)	(210,336)
Purchase of fixed asset investments	(309,783)	14,572	(73,521)
Increase in uninvested capital	(26,449)	(550)	(1,667)
Net cash flows relating to the purchase of fixed asset investments	(336,232)	14,022	(75,188)
Proceeds from the sale of fixed asset investments	300,982	219,854	235,618
Repayment of fund level refinancing	(27,223)	(19,229)	(43,244)
Carried interest charged	(40,378)	(18,691)	(22,140)
Net proceeds from the sale of fixed asset investments	233,381	181,934	170,234
Decrease/(Increase) in accrued income from liquidity funds	3,507	(967)	(7,684)
Decrease/(Increase) in accrued income and other debtors	9,542	(93,745)	10,350
Increase/(Decrease) in creditors	728	1,728	(461)
Net cash (outflow)/inflow from operating activities	(83,278)	95,454	125,620

¹ At the period end the net cash flow from operating activities has been re-presented (in line with the prior year presentation in the annual report and accounts). Please see note 2 on page 53 for more details. The subtotals above have been introduced in order to show clearly HgT cash flows, whilst still providing an understanding of the underlying partnership cash flows with regard to the fees paid for the management of HgT's investments.

Gains on investments held at fair value and liquidity funds includes realised and unrealised gains of £157.5 million in relation to gains on investments, and losses of £23.2 million in relation to liquidity funds and fund level facilities.

10. Taxation

Taxation for the six-month period is charged at 25% (31 December 2023: 24%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six-month period.

In the opinion of the Directors, HGT has complied with the requirements of Section 1158 and Section 1159 of the CTA 2010 and will therefore be exempt from corporation tax on any capital gains made in the period. Where possible, HGT aims to designate all of any dividends declared in respect of this financial year as interest distributions to its shareholders. These distributions are treated as a tax deduction against taxable income, resulting in no corporation tax being payable by HGT on any interest income designated as a dividend.

11. Return and net asset value per ordinary share

(a) Basic and diluted return per ordinary share	Revenue return			Capital return		
	Six months ended 30.6.24 (unaudited)	30.6.23 (unaudited)	Year ended 31.12.23 (audited)	Six months ended 30.6.24 (unaudited)	30.6.23 (unaudited)	Year ended 31.12.23 (audited)
Amount (£000):						
Net return after taxation	8,307	10,308	28,234	138,108	85,927	202,283
Weighted average number of ordinary shares (000):						
Weighted average number of ordinary shares in issue	457,729	457,729	457,729	457,729	457,729	457,729
Basic and diluted return per ordinary share (pence)	1.81	2.25	6.17	30.17	18.77	44.19
(b) Net asset value per ordinary share						
Amount (£000):						
Net assets				2,416,546	2,165,602	2,290,729
Number of ordinary shares (000):						
Number of ordinary shares in issue				457,729	457,729	457,729
Net asset value per ordinary share (pence)				527.9	473.1	500.5

12. Commitment in fund partnerships and contingent liabilities

Fund	Fund Currency	Original commitment	Original commitment £000	30.6.24	Outstanding at	31.12.23
				£000 (unaudited)	30.6.23 £000 (unaudited)	£000 (audited)
HGT Genesis 10 LP	EUR	500,000	423,908	308,125	343,833	343,377
HGT Saturn 3 LP	USD	875,000	692,192	199,987	474,745	470,474
HGT LP	USD	171,230	135,456	120,622	96,582	133,017
HGT Mercury 4 LP	EUR	175,000	148,368	97,603	91,716	131,332
HGT Saturn 2 LP	USD	400,000	316,431	79,695	10,250	83,191
HGT Genesis 9 LP	EUR	360,000	305,214	63,948	15,213	4,114
HGT 8 LP	GBP	260,000	260,000	16,344	13,599	11,736
HGT Mercury 3 LP	EUR	115,000	97,499	14,707	16,239	5,769
HGT Saturn LP	GBP	150,000	150,000	6,293	22,966	16,755
HgCapital Mercury D LP	GBP	60,000	60,000	3,265	3,265	3,265
HGT Mercury 2 LP	GBP	80,000	80,000	1,407	1,480	169
HGT 7 LP	GBP	200,000	200,000	228	499	285
Other	EUR	21,600	18,347	–	594	–
Total outstanding commitments				912,224	1,090,981	1,203,484

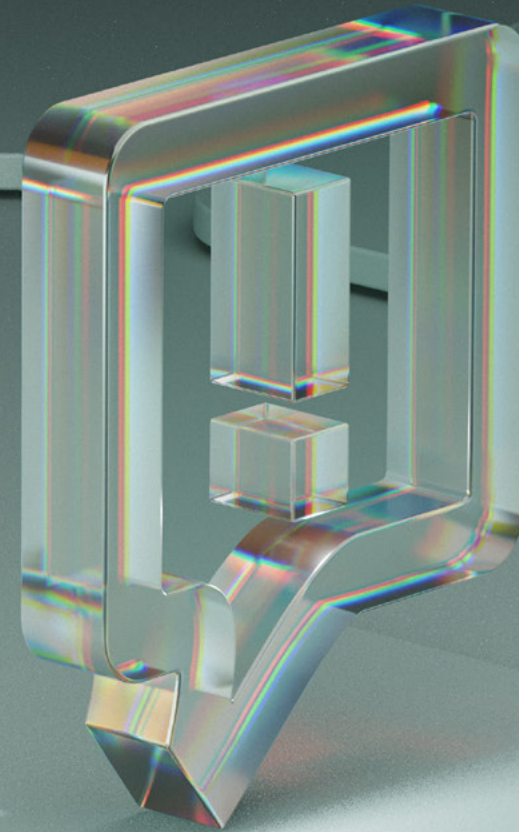
HGT has the benefit of an opt-out provision, allowing it to opt out of its obligation to fund draw-downs under its commitments, without penalty, where certain conditions exist.

13. Publication of non-statutory accounts

The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the six months ended 30 June 2024 and 30 June 2023 has not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The information for the year ended 31 December 2023 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The Auditors' Report on those accounts was not qualified, did not include a reference to any matters to which the Auditors drew attention by way of emphasis without qualifying its report and did not contain statements under sections 498 (2) or (3) of the Companies Act 2006.

14. Annual results

The Board expects to announce the results for the year ending 31 December 2024 in March 2025. The 2024 annual report should be available by the end of March 2025, with the annual general meeting being held in May 2025.



Further Information

Investment management and ongoing charges

Underlying charges to Hg funds

Over the first six months of 2024, HgT's assets were managed by Hg Pooled Management Limited ('Hg'). HgT pays a priority profit share in respect of either its commitments to or invested capital alongside Hg funds, on similar terms as those payable by all institutional investors in these funds as listed below:

Fund partnership	Priority profit share (% p.a.)
HGT Genesis 10 LP	1.75% on the fund commitment during the investment period
HGT Genesis 9 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT 8 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT 7 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Mercury 4 LP	1.75% on the fund commitment during the investment period
HGT Mercury 3 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Mercury 2 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Saturn 3 LP	1.0% on the fund commitment during the investment period
HGT Saturn 2 LP	0.75% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Saturn LP	1.0% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT LP	1.0% of original cost of investments in the fund, excluding co-investment

For HgT's investment alongside the Hg Genesis 7, Hg Genesis 8, Hg Genesis 9, Hg Genesis 10, Hg Mercury 2, Hg Mercury 3, Hg Mercury 4, Hg Saturn 2 and Hg Saturn 3 funds, the carried interest arrangements are identical to that which applies to all limited partners in these funds. Under these arrangements, carried interest is payable based on 20% of the aggregate profits, but only after the repayment to HgT of its invested capital and a preferred return, based on 8% p.a., calculated daily, on the aggregate of its net cumulative cash flows in each fund and such preferred return amount which is capitalised annually.

For HgT's investment alongside the Hg Saturn fund, the carried interest arrangement is also identical to that which applies to all limited partners in this fund. Under this arrangement, carried interest is payable based on 12% of the aggregate profits, payable after the repayment to HgT of its invested capital and a preferred return based on 8% p.a. or 20% of the aggregate profits, payable after the repayment to HgT of its invested capital and a preferred return of 12% p.a.

No priority profit share or carried interest will apply to any co-investment made alongside those funds in excess of HgT's pro-rata commitment. Therefore, the co-investments made by HgT in P&I, Visma, IRIS, Azets, Mitrtech, smartTrade, Norstella, F24, Geomatikk, Benevity, Dext, insightsoftware, Rhapsody, Nitrogen, Pirum, IFS, CINC and GTreasury do not entitle Hg to any priority profit share or carried interest. No compensation would be due to Hg on termination of the agreement.

Calculation of ongoing charges

For the period to 30 June 2024, HgT's annualised ongoing charges were calculated as 1.6% (30 June 2023: 1.6%).

The calculation is based on the ongoing charges (numerator) expressed as a percentage of the average published NAV (denominator) over the relevant year. The ongoing charges, in accordance with guidelines issued by The Association of Investment Companies ('AIC'), are the annualised expenses which are operational and recurring by nature and specifically exclude, among others, the expenses and gains or losses relating to the acquisition or disposal of investments, performance-related fees (such as carried interest), taxation and financing charges.

HgT's ongoing charges consist of its current year priority profit share payable of £14.9 million and operating expenses of £4.2 million as described in notes 7 and 8 to the financial statements respectively. The average NAV for the period to 30 June 2024 was £2.3 billion. This has been annualised for the full year 2024.

Hg has also been appointed as administrator of HgT for a fee equal to 0.1% p.a. of the NAV.

No fees are charged on the share-price performance of HgT.

Shareholder information

Financial calendar

The announcement and publication of HgT's results may normally be expected in the months shown below:

February	<ul style="list-style-type: none"> Preliminary results for year announced
March	<ul style="list-style-type: none"> Final results for year announced Annual report and accounts published
May	<ul style="list-style-type: none"> Annual general meeting and payment of final dividend Release of Manager's quarterly update with updated 31 March NAV
July	<ul style="list-style-type: none"> Preliminary interim results announced
September	<ul style="list-style-type: none"> Interim figures announced and interim report published
October	<ul style="list-style-type: none"> Payment of interim dividend
November	<ul style="list-style-type: none"> Release of Manager's quarterly update with updated 30 September NAV

Dividend

The interim dividend proposed in respect of the year ending 31 December 2024 is 2.0 pence per share.

Ex-dividend date (date from which shares are transferred without dividend)	26 September 2024
Record date (last date for registering transfers to receive the dividend)	27 September 2024
Last date for registering DRIP instructions (see below)	11 October 2024
Dividend payment date	25 October 2024

Payment of dividends

Cash dividends will be sent by cheque to the first-named shareholder at their registered address, to arrive on the payment date. Alternatively, dividends may be paid direct into a shareholder's bank account. This may be arranged by contacting HgT's registrar, Computershare Investor Services PLC ('Computershare'), on 0370 707 1037.

Dividend re-investment plan ('DRIP')

Shareholders can choose to use their dividends to purchase further shares in HgT, forms can be obtained from HgT's registrar, Computershare:

Telephone: +44 (0)370 707 1037
or computershare.co.uk/DRIP

Shareholders who have already opted for dividend re-investment do not need to re-apply. The last date for registering for this service for the forthcoming dividend is 11 October 2024.

Share price

HgT's ordinary share price is published on the London Stock Exchange's website: www.londonstockexchange.com and on our website (subject to a 15-minute delay): hgcapitaltrust.com

ISIN/SEDOL numbers

The ISIN/SEDOL numbers and mnemonic code for HgT's ordinary shares are:

ISIN	GB00BJOLT190
SEDOL	BJOLT19
Reuters code	HGT.L

Share dealing

Investors wishing to purchase or sell shares in HgT may do so through a stockbroker, financial adviser, bank or several share dealing platforms. To purchase this investment, you must have read the key information document ('KID') before the trade can be executed. This, and other information, is available on HgT's website: hgcapitaltrust.com

The registrar, Computershare, can provide you with the KID by either e-mail or post.

To purchase shares, you can contact the registrar on:

Telephone: +44 (0)370 703 0084

Internet share dealing:

computershare.com/dealing/uk

Internet dealing service is available to shareholders in certain jurisdictions, including the UK. The commission is 1.4%, subject to a minimum charge of £40 for internet share dealing. In addition, stamp duty is payable on purchases. Before you trade, you will need to register for these services.

Detailed terms and conditions are available on request by telephoning +44 (0)370 703 0084.

This is not a recommendation to buy, sell or hold shares in HgCapital Trust plc. Those shareholders unsure of what action to take should obtain independent financial advice. Share values may go down, as well as up, which may result in a shareholder receiving less than they originally invested.

To the extent that this statement is a financial promotion for the share-dealing service provided by Computershare Investor Services PLC, it has been approved by Computershare Investor Services PLC for the purpose of section 21 (2) (b) of the Financial Services and Markets Act 2000 only. Computershare Investor Services PLC is authorised and regulated by the Financial Conduct Authority. Where this has been received in a country where the provision of such a service would be contrary to local laws or regulations, this should be treated as being for information only.

Uncertificated Securities Regulations 1995 – CREST

HgT's ordinary shares have joined CREST, an electronic system for uncertificated securities trading.

Private investors can continue to retain their share certificates and remain outside of the CREST system. Private investors are able to buy and sell their holdings in the same way as they did before the introduction of CREST, although there may be differences in dealing charges.

Income tax

Where possible, dividends can be designated as an interest distribution (interest-streaming) for tax purposes. The Finance Bill 2017 included provisions which removed the requirement to deduct income tax at source from dividends notionally designated as interest distributions by investment trust companies, when they are made on or after 6 April 2017. This brought this type of income into line with the treatment of interest paid on bank and building society accounts, following the introduction of the personal savings allowance. The amount of your personal savings allowance depends on your adjusted net income. Where interest-streaming is not possible, there is an individual annual allowance across all dividend income, above which there is a tax liability. For further information, please visit the [HMRC.gov.uk](https://www.hmrc.gov.uk) website. For queries about your own tax position, please speak to an independent tax adviser.

Capital gains tax ('CGT') for UK tax payers

Qualifying investment trusts currently pay no corporation tax on capital gains made within the portfolio. When investors sell all or part of their holdings, they may be liable to CGT. For more information, visit [gov.uk/capital-gains-tax](https://www.gov.uk/capital-gains-tax)

Investments held in ISAs continue to remain exempt from CGT.

Please remember that we are unable to offer individual investment or taxation advice. Those investors in any doubt about their liability for CGT should seek professional advice.

Risk factors

- Investments in predominantly unquoted companies, which form the majority of HgT's investments, may not be as readily realisable as investments in quoted companies.
- As Hg invests primarily in companies whose operations are headquartered or substantially based in Europe and in companies which trade internationally, the value of HgT's shares may be affected by changes in rates of foreign exchange.
- Hg invests in a portfolio of small to mid-cap companies, with enterprise values of more than £100 million (at the time of acquisition), the performance of which can fluctuate.
- The price at which HgT's shares trade on the London Stock Exchange is not the same as their NAV (although they are related); therefore, you may realise returns which are lower or higher than NAV performance.
- Past performance is not necessarily a guide to future performance – and an investor may not get back the amount originally invested.
- The value of investments in HgT and the income from them can fluctuate, as the value of the underlying investments fluctuates.
- HgT invests in unquoted companies; although great care is taken in their valuation, such valuations cannot, by their nature, be exact and are liable to change.

Duration of HgT

An ordinary resolution was approved by shareholders at the annual general meeting in May 2020 to continue the life of HgT for a further five years – and a similar resolution will be put to the shareholders at every fifth year thereafter.

If the resolution to continue the life of HgT is not approved, a general meeting will be convened within six months after the date of the AGM to put forward proposals for the reorganisation or reconstruction of HgT.

Nominee holdings

Where shares are held in a nominee company name, HgT undertakes to:

- provide the nominee company with multiple copies of shareholder communications, provided that an indication of quantities has been given in advance.
- allow investors holding shares through a nominee company to attend general meetings, provided that the correct authority from the nominee company is available.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend HgT's general meetings.

Non-mainstream pooled investments

HgT's shares qualify as an 'excluded security' under the rules in relation to non-mainstream pooled investments, therefore, are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

HgT conducts its affairs so that the shares issued by HgT can be recommended by IFAs to ordinary retail investors, in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.



Common reporting standard

With effect from 1 January 2016, tax legislation under the OECD ('Organisation for Economic Co-operation and Development'), The Common Reporting Standard for Automatic Exchange of Financial Account Information ('The Common Reporting Standard'), was introduced.

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in them. As an affected company, HgT provides information annually to the local tax authority on the tax residencies of some non-UK based certificated shareholders and corporate entities.

All shareholders, excluding those whose shares are held in CREST, entered onto the share register from 1 January 2016 will be sent a certification form for the purposes of collecting this information.

Please see HMRC's Quick Guide: Automatic Exchange of Information, information for account holders: gov.uk/guidance/automatic-exchange-of-information-introduction

ISA status

HgT's shares are eligible for stocks and shares ISAs.

Shareholders' enquiries

In the event of queries regarding your shares, please contact Computershare:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol, BS99 6ZZ
Telephone: +44 (0)370 707 1037

Computershare Investor Centre: investorcentre.co.uk
To register you will need your shareholder reference number (this information can be found on the last dividend voucher or your share certificate)

Computershare offers a free secure share management website which allows you to:

- view your share portfolio and see the latest market price of your shares.
- elect to receive your shareholder communications online.
- calculate the total market price of each shareholding.
- view price histories and trading graphs.
- update bank mandates and change of address details.
- use online dealing services.

General enquiries about HgT should be directed to:

Hg Pooled Management Ltd
2 More London Riverside
London, SE1 2AP
Telephone: 020 8396 0930
Email: investorrelations@hgcapitaltrust.com

Glossary and Alternative Performance Measures ('APM')

Available liquid resources (APM)

Includes cash at bank, uninvested capital, cash fund investments and the undrawn bank facility.

CAGR

Compound annual growth rate

Carried interest

Equivalent to a performance fee, this represents a share of the capital profits which will accrue to the investment manager, after achievement of an agreed preferred return.

Co-investment

An equity co-investment is typically a minority investment in a company made alongside a private equity fund. These investments are free from management fees and carried interest.

DACH

An acronym for D (Deutschland/Germany), A (Osterreich/Austria), CH (Schweiz/Switzerland).

Discount

Investment trust shares frequently trade at a discount to NAV. This occurs when the share price is less than the NAV. In this circumstance, the price which an investor pays or receives for a share would be less than the value attributable to it by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. For example, if the NAV were 527.9 pence and the share price were 480.0 pence, the discount would be 10%.

DPI (distributed to paid-in capital)

A closely scrutinised private equity industry metric that shows the proportion of a fund's invested capital returned to investors.

EBITDA (APM)

Earnings before interest, tax, depreciation and amortisation. LTM EBITDA growth is an Alternative Performance Measure.

Employee net promoter score

Employee net promoter score (eNPS) is a metric that assesses employees' job satisfaction by measuring their readiness to recommend their company to others. An eNPS score can range from -100 to +100.

ESG

Environmental, social and governance

EV (enterprise value)

This is the aggregate value of a company's entire issued share capital and net debt.

Expansion capital

The provision of capital to an existing, established business, to finance organic growth or acquisitions.

Fund level facilities

Lines of credit that sit below the fund structure which are used to fund portfolio M&A and return cash to investors. The facilities are unsecured, with no recourse to HgT or the underlying funds and are repaid from future realised proceeds, the proportion of which will depend on the loan to value ratio at that time. Since the debt sits below the funds the interest is shown as an unrealised loss against the HgT investments.

Hedging

Hedging is an investment technique designed to offset a potential loss on one investment by purchasing a second investment which is expected to perform in the opposite way.

ILPA

Institutional Limited Partners Association

IPO (initial public offering)

An offering by a company of its share capital to the public with a view to seeking an admission of its shares to a recognised stock exchange.

IRR (internal rate of return)

The annualised rate of return received by an investor in a fund. This is calculated from cash drawn from and returned to the investor, together with the residual value of the investment.

LBO (leveraged buyout)

The purchase of all or most of a company's share capital, often involving its managers, funded mainly by borrowings often secured on HgT's assets, resulting in a post-financing capital structure of HgT which is geared.

LP (limited partnership)

An English limited partnership includes one or more general partners who have responsibility for managing the business of the partnership and have unlimited liability and one or more limited partners who do not participate in the operation of the partnership and whose liability is ordinarily capped at their capital and loan contribution to the partnership. In typical fund structures, the general partner receives a priority profit share ahead of distributions to limited partners. In addition, a limited partner, designated as the 'founder partner', will share in the profits of the partnership, alongside the other limited partners, once limited partners have been returned all loan contributions, plus a hurdle rate of return as agreed with the partnership.

LTM

Last 12 months

MBI (management buy-in)

A change of ownership, where an incoming management team raises financial backing, normally a mix of equity and debt, to acquire a business.

MBO (management buyout)

A change of ownership, where the incumbent management team raises financial backing, normally a mix of equity and debt, to acquire a business it manages.

MOIC

Multiple on invested capital – is one of the performance measurements for private fund investing. It is calculated by dividing the sum of a fund's realised and unrealised value by the total amount invested.

NAV (net asset value per share) (APM)

This is the value of HgT's assets attributable to one ordinary share. It is calculated by dividing 'shareholders' funds' by the total number of ordinary shares in issue. For example, as at 30 June 2024, shareholders' funds were £2,416,546,000, with 457,728,500 ordinary shares in issue; the NAV was therefore 527.9 pence per ordinary share. Shareholders' funds are calculated by deducting current and long-term liabilities, and any provision for liabilities and charges, from HgT's total assets.

NRR

Net recurring revenue is the proportion of the revenue from existing clients which is secured and will therefore recur in the following calendar year.

P2P (public to private)

The purchase of all of a listed company's shares using a special-purpose vehicle funded with a mixture of debt and unquoted equity.

Preferred return

A preferential rate of return on an individual investment or a portfolio of investments.

Premium

A premium occurs when the share price is higher than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price were 580.8 pence and the NAV were 527.9 pence, the premium would be 10%.

Quoted company

Any company whose shares are listed or traded on a recognised stock exchange.

SASB

The Sustainability Accounting Standards Board

SBTi

Science based targets initiative. Science-based targets show businesses how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change. sciencebasedtargets.org/

Share-split

A share-split (or stock-split) is the process by which a company divides its existing shares into multiple shares. Although the number of shares outstanding increases, the total net asset value of the shares remains the same as before.

HgT completed a 10:1 share-split in May 2019.

TCFD

Task Force on Climate-related Financial Disclosures. The Financial Stability Board created TCFD to improve and increase reporting of climate-related financial information.

Total ongoing charges (APM)

Please refer to page 62.

Total return (APM)

The total return to shareholders comprises both changes in HgT's NAV or share price and dividends paid to shareholders; it is calculated on the basis that all historic dividends have been reinvested in HgT's shares on the date the dividend is paid.

UNPRI

Principles of Responsible Investment. The PRI is the world's leading proponent of responsible investment.

Unquoted company

Any company whose shares are not listed or traded on a recognised stock exchange.

VCD

Value creation diagnostic

VDD

Vendor due diligence

Venture capital

Investing in companies at a point in that company's life cycle which is at the concept, start-up or early stage of development.



Board, management and administration

Directors

Jim Strang
(Chairman)

John Billowits (joined on 16 May 2024)

Richard Brooman
(Chairman of the Audit, Valuation and Risk Committee)

Helena Coles
(Chair of the Management Engagement Committee)

Pilar Junco

Erika Schraner
(Senior Independent Director)

Company secretary

Link Company Matters Ltd

Central Square
29 Wellington Street
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LS1 4DL

Telephone: +44 (0)333 300 1950
companymatters.co.uk

Registered office

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London
SE1 2AP

Registered number

01525583

Website

hgcapitaltrust.com

Investment manager

Hg Pooled Management Ltd¹

2 More London Riverside
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SE1 2AP

Telephone: +44 (0)20 8396 0930
hgcapital.com

Registrars and transfer office

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The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Telephone: +44 (0)370 707 1037
computershare.com/uk

Broker

Deutsche Numis Securities Ltd¹

45 Gresham Street
London
EC2V 7BF

Telephone: +44 (0)20 7260 1000
dbnumis.com/

Auditor

Grant Thornton UK LLP¹

30 Finsbury Square
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EC2A 1AG

Telephone: +44 (0)20 7383 5100
grantthornton.co.uk

Legal adviser

Dickson Minto LLP

16 Charlotte Square
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EH2 4DF

Telephone: +44 (0)131 225 4455
dicksonminto.com

Bank

The Royal Bank of Scotland International Ltd

440 Strand
London
WC2R 0QS

Telephone: +44 (0)20 7085 5000
rbsinternational.com

Administrator

Hg Pooled Management Ltd¹

2 More London Riverside
London
SE1 2AP

Telephone: +44 (0)20 8396 0930
hgcapital.com

Depositary

Apex Depositary (UK) Ltd¹

6th Floor
140 London Wall
London
EC2Y 5DN

Telephone: +44 (0)20 3697 5353
apexgroup.com

AIC

Association of Investment Companies

theaic.co.uk

The AIC represents closed-ended investment companies. It helps its member companies through lobbying, media engagement, technical advice, training and events.

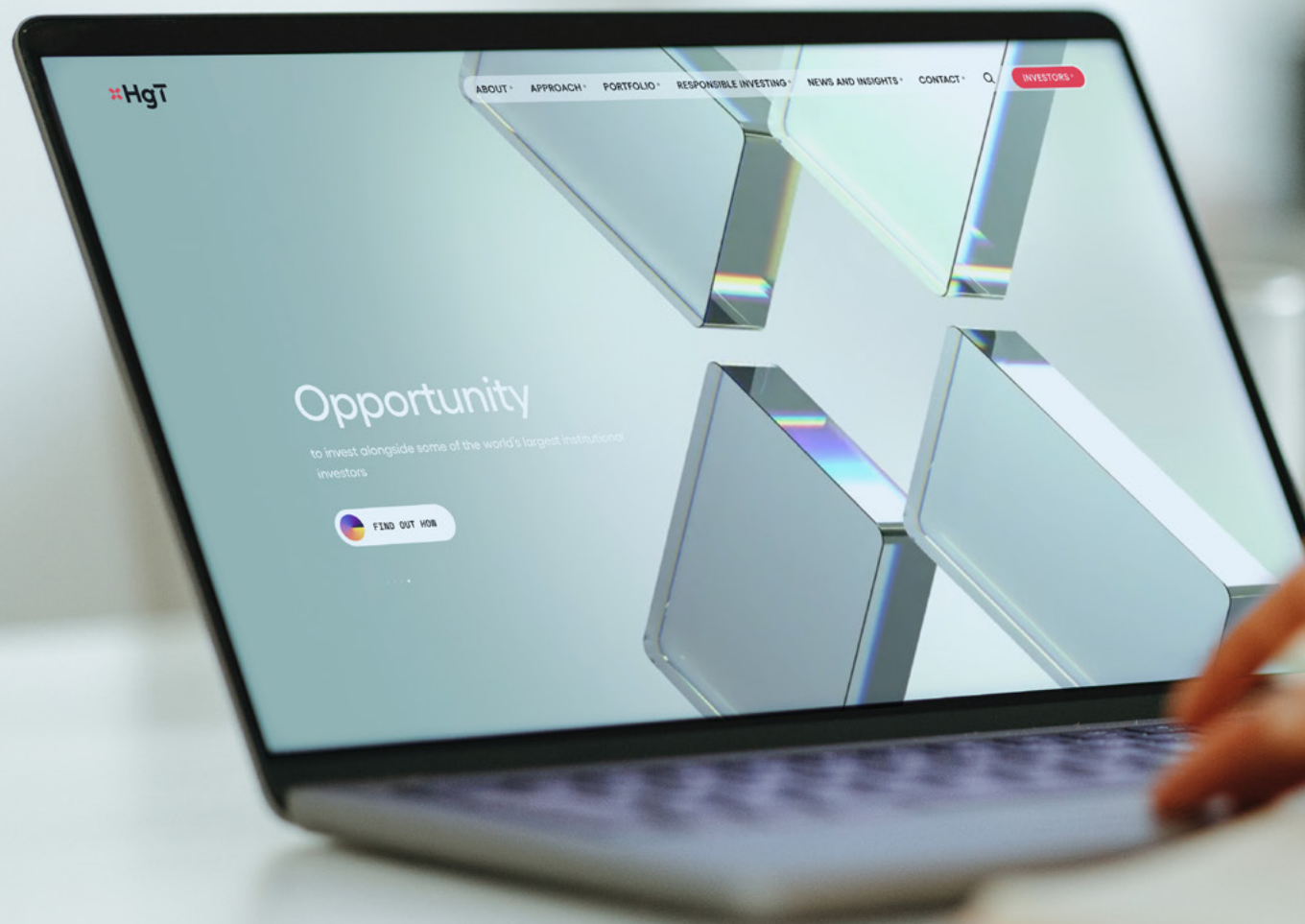
The AIC's website includes information about investments via investment companies, including investments in listed private equity companies.

¹ Authorised and regulated by the Financial Conduct Authority.



Past performance is not necessarily a guide to future performance. The value of investment and income from them may go down as well as up and are not guaranteed.

Certain statements in this report are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expected or implied by those statements. Statements regarding past trends or activities should not be taken as representations that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.



If you have any suggestions on improvements we can make to the site, please do get in touch at investorrelations@hgcapitaltrust.com



✘ HgT